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VOL. XX. 2474 No. 1.

JANUARY, 1885.

Coast Review

Published Monthly.

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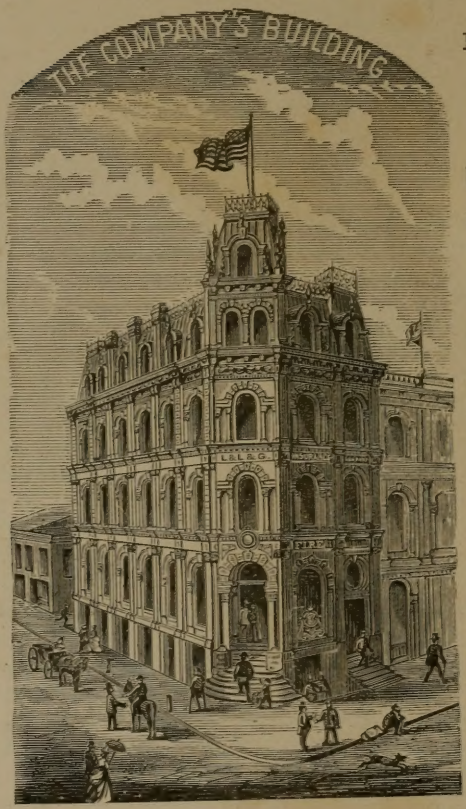
THE LIVERPOOL AND LONDON AND GLOBE INSURANCE COMPANY

INSTITUTED 1836.

The Assets of the United States Branch of this great corporation, which are invested in the names of its Trustees in America for the exclusive protection of its policy holders in this country, amount to

$5,771,960.

The immense assets and the Unlimited Liability of more than Thirteen Hundred Shareholders, make this Company one of the very best for those desiring First-Class Indemnity.



ENTERED U. S. 1851.

The amount which has been paid by this Company in satisfaction of FIRE LOSSES in the United States in the course of thirty-two years is

$33,258,443

Its reputation for stability and for honorable dealing is world-wide. The ample security which it offers to its patrons is unequaled, as its total assets are greater than those of any other fire insurance company on the globe.

PACIFIC DEPARTMENT ESTABLISHED 1852.

CHARLES D. HAVEN, Resident Secretary.

CHIEF OFFICE, 422 CALIFORNIA STREET

SAN FRANCISCO, CAL.

VOL. XX. No. 2.

FEBRUARY, 1885.

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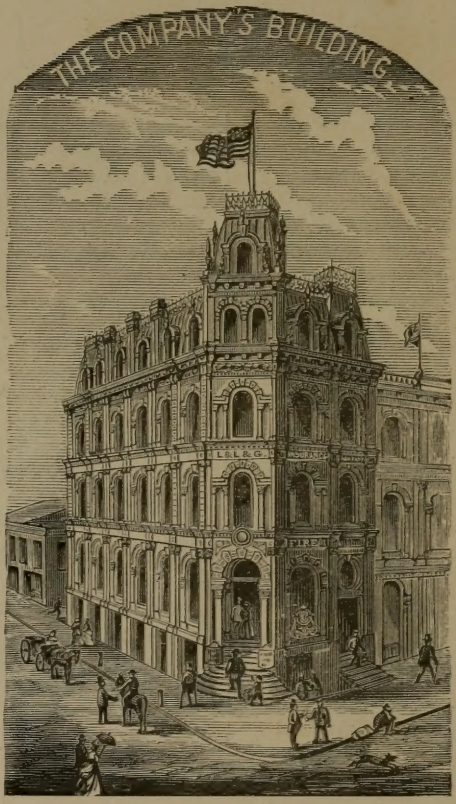
TOTAL ASSETS, - - $36,875,363.39

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The amount which has been paid by this Company in satisfaction of FIRE LOSSES in the United States in the course of thirty-seven years is

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CHIEF OFFICE, 422 CALIFORNIA STREET

SAN FRANCISCO, CAL.

VOL. XX. No. 3.

MARCH, 1885.

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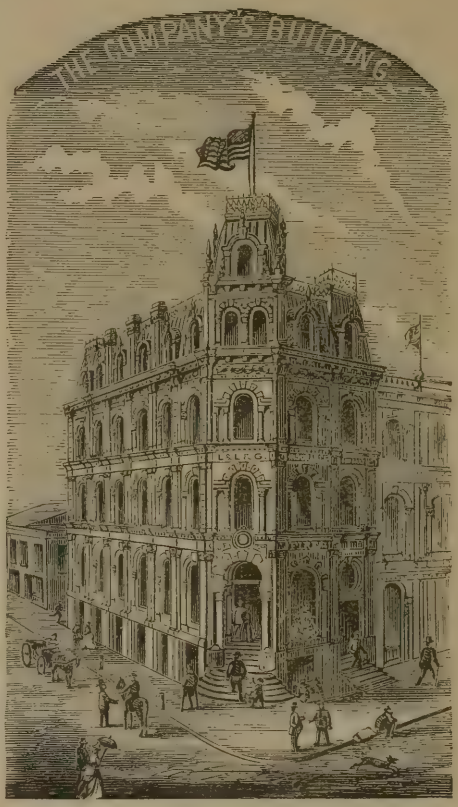
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SAN FRANCISCO, CAL.

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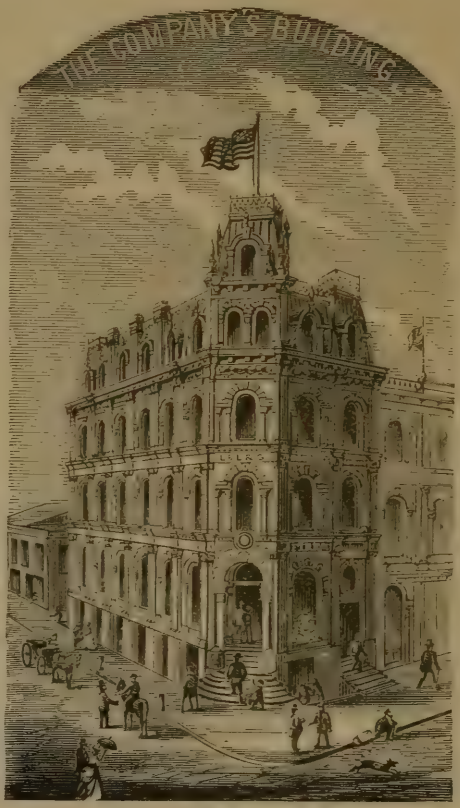
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CHARLES D. HAVEN, Resident Secretary.

CHIEF OFFICE, 422 CALIFORNIA STREET

SAN FRANCISCO, CAL.

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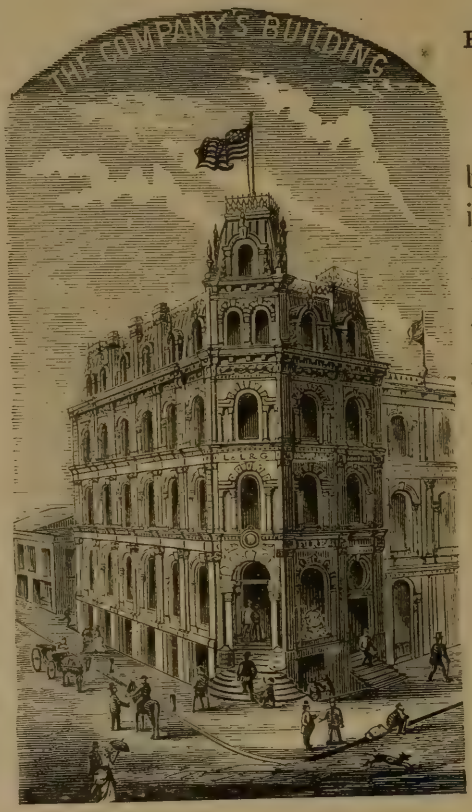
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CHIEF OFFICE, 422 CALIFORNIA STREET

SAN FRANCISCO, CAL.

VOL. XX. No. 7.

JULY, 1885.

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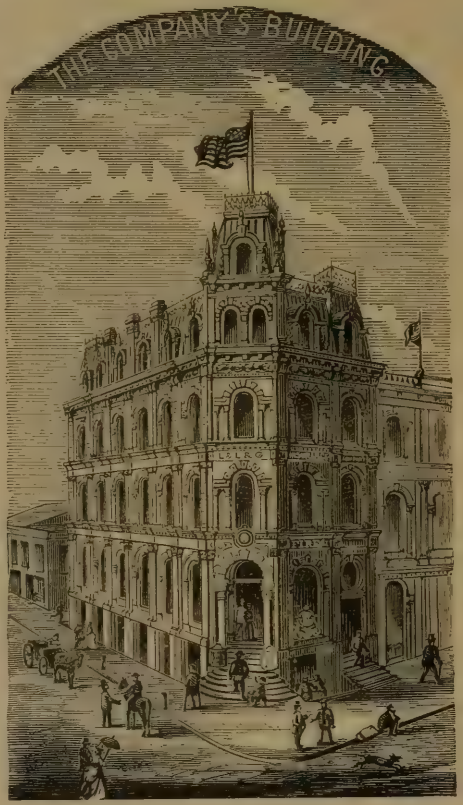
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SAN FRANCISCO, CAL.

VOL. XX. No. 8.

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TOTAL ASSETS, - - $38,263,482.85

Total Fire Losses paid from Organization to Jan. 1, '85, $78,313,973

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SAN FRANCISCO, CAL.

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SAN FRANCISCO:

J. G. EDWARDS, Publisher,

320 SANSOME STREET.

Terms, $2.50 per Year. Single Copies, 25 Cents.

Entered at the San Francisco Post Office as Second Class Matter.

GEO. SPAULDING & CO., 414 Clay St.

THE LIVERPOOL AND LONDON AND GLOBE INSURANCE COMPANY

TOTAL ASSETS, - - $38,263,482.85

Total Fire Losses paid from Organization to Jan. 1,'85, $78,313,973

INSTITUTED 1836.

The Assets of the United States Branch of this great corporation, which are invested in the names of its Trustees in America for the exclusive protection of its policy holders in this country, amount to

$5,941,475.

The immense assets and the Unlimited Liability of more than Thirteen Hundred Shareholders, make this Company one of the very best for those desiring First-Class Indemnity.



THE COMPANY'S BUILDING.

ENTERED U. S. 1848.

The amount which has been paid by this Company in satisfaction of FIRE LOSSES in the United States in the course of thirty-seven years is

$35,431,002

Its reputation for stability and for honorable dealing is world-wide. The ample security which it offers to its patrons is unequaled, as its total assets are greater than those of any other fire insurance company on the globe.

PACIFIC DEPARTMENT ESTABLISHED 1852.

CHARLES D. HAVEN, Resident Secretary.

CHIEF OFFICE, 422 CALIFORNIA STREET,

SAN FRANCISCO, CAL.

VOL. XX. No. 11.

NOVEMBER, 1885.

Coast Review

Published Monthly.

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CHARLES D. HAVEN, Resident Secretary.

CHIEF OFFICE, 422 CALIFORNIA STREET,
SAN FRANCISCO, CAL.

VOL. XX. No. 12.

DECEMBER, 1885.

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PACIFIC DEPARTMENT ESTABLISHED 1852.

CHARLES D. HAVEN, Resident Secretary.

CHIEF OFFICE, 422 CALIFORNIA STREET,

SAN FRANCISCO, CAL.

THE

CALIFORNIA INS. CO.

318 California St., San Francisco.

ORGANIZED FEBRUARY, 1861.

CAPITAL, Paid up in Gold.....$600,000.00
ASSETS, January 1st, 1884..... 974,184.52

C. T. HOPKINS, Prest JOHN BERMINGHAM, Vice-Prest. L. L. BROMWELL, Sec'y.

DIRECTORS:

C. T. HOPKINS,	SAMUEL MERRITT,	H. B. TICHENOR,
DANIEL MEYER,	L. L. BROMWELL,	A. W. BOWMAN
GEO. H. SANDERSON,	JOHN BERMINGHAM,	HENRY WADSWORTH.

San Francisco Department, ARTHUR C. DONNELL, City Agent.

Eastern Department, E. L. IRETON, Manager, Cincinnati, Ohio.

UNION

Fire and Marine Insurance Company,

OF NEW ZEALAND.

Subscribed Capital.....	$10,000,000 00
Cash Capital fully paid up	$500,000 00
Assets December 31, 1883.....	945,532 39
Deposited with DANIEL MEYER, HENRY WADSWORTH and JOHN D. YOST, Resident Trustees in San Francisco.....	100,000 00

HOPKINS & BROMWELL, Pacific Coast Managers.

No. 318 CALIFORNIA STREET, SAN FRANCISCO, CAL.

ARTHUR C. DONNELL, City Agent.

IMPERIAL

Fire Insurance Company, of London.

(Instituted 1803.)

LONDON

Assurance Corporation, of London.

(Established 1720 by Royal Charter.)

NORTHERN

Assurance Company, of London.

(Established 1836.)

QUEEN

Insurance Company, of Liverpool.

(Established 1857.)

Forming the Largest Fire Insurance Agency, as regards Aggregate Capital and Combined Assets, of any represented on the Pacific Coast.

A Joint Policy of the Four Companies issued on the Pacific Coast.

ROBERT DICKSON, Manager.

PACIFIC BRANCH OFFICE,

S. E. Corner California and Montgomery Streets,

(Safe Deposit Building,) SAN FRANCISCO.

20th Annual Statement of the Condition and Affairs

OF THE

Home Mutual

Insurance Company of San Francisco, Cal.,

ON THE 1st DAY OF JANUARY, A. D. 1884.

Amount of Capital Stock paid up in Cash.....$300,000 00

ASSETS.

Real Estate owned by Company	$ 69,525 00
Loans on Bonds and Mortgages	240,506 90
Cash Market Value of all Stocks and Bonds owned by Company	114,839 00
Amount of Loans secured by pledge of Bonds, Stocks and other marketable securities as collateral	147,356 00
Cash in Company's Office	920 35
Cash in Banks and Savings Banks	124,294 55
Interest due and accrued on all Stocks and Loans	3,069 81
Interest due and accrued on Bonds and Mortgages	2,003 32
Premiums in due Course of Collection	55,960 20
Cash in hands of Company's Attorney in Denver, Col., for the purchase of Jefferson County Warrants	1,000 00
TOTAL ASSETS	$759,475 13

LIABILITIES.

Losses Adjusted and Unpaid	$600 00
Losses in process of Adjustment or in Suspense	2,526 68
Losses resisted, including expenses	2,511 72
Gross premiums on Fire Risks running one year or less, $243,171 42; re-insurance fifty per cent	121,585 71
Gross premiums on Fire Risks running more than one year, $141.348 89; re-insurance pro rata	78,474 04
Cash Dividends remaining unpaid	1,740 00
Total Liabilities	207,438 15
Capital Stock	300,000 00
Surplus over Capital and all other Liabilities	252,036 98
TOTAL LIABILITIES	$759,475 13

INCOME.

Net Cash actually received for Fire Premiums	$310,909 24
Received for Interest on Bonds, Mortgages, Loans and from all other sources	32,612 89
Rents	3,317 00
Appreciation in U. S. and other Bonds, and from profit and loss	2,446 54
TOTAL INCOME	$349,285 67

EXPENDITURES.

Net amount paid for Fire Losses (including $2,423 00 losses of previous years)	112,811 76
Dividends to Stockholders	36,000 00
Paid or allowed for Commission or Brokerage	76,088 23
Paid for Salaries, Fees, and other charges for Officers, Clerks, etc	36,940 00
Paid for State, National and Local Taxes	4,590 37
All other Payments and Expenditures	36,036 81
TOTAL EXPENDITURES	$302,467 17

J. F. HOUGHTON.....President
J. L. N. SHEPHARD.....Vice-President
CHAS. R. STORY.....Secretary
R. H. MAGILL.....General Agent

Principal Office, 216 Sansome Street.

PACIFIC BRANCH
—OF—
THE LION
FIRE INSURANCE COMPANY.

HEAD OFFICE: No. 5, LOTHBURY, LONDON.

THOMAS B. BELL, GENERAL MANAGER AND SECRETARY.



UNITED STATES TRUSTEES:
JULIUS CATLIN, JR., N. Y. RODNEY DENNIS, HARTFORD.
F. P. COOLEY, HARTFORD.
EASTERN BRANCH, 223 CRAYBURN ST., HARTFORD, CONN.
M. BENNETT, JR., MANAGER.

LONDON, ENGLAND.

Established 1879.

CAPITAL	$4,125,000
CAPITAL PAID UP	560,000
TOTAL CASH ASSETS	1,130,062

PACIFIC BRANCH: 322 Montgomery St., San Francisco, Cal.

Manager.....GEORGE D. DORNIN.
Assistant Manager.....WM. SEXTON.

JURISDICTION:

CALIFORNIA, OREGON, WASHINGTON, IDAHO, MONTANA, WYOMING, COLORADO, NEW MEXICO, UTAH, NEVADA AND THE HAWAIIAN ISLANDS.

Assets in the United States, June 30, 1884....$803,204

SOUTH BRITISH AND NATIONAL



FIRE
AND
MARINE



Insurance Companies, of New Zealand.

ISSUING A JOINT POLICY.

Combined Capital, - - - - $15,000,000.

Unlimited Liability of Shareholders.

W. J. CALLINGHAM & CO., Gen'l Agents,
213 Sansome Street, San Francisco
R. H. NAUNTON, Manager City Department.

The City of London Fire Insurance Co.

Limited, of London.

CAPITAL, - - - - - - $10,000,000.

W. J. CALLINGHAM & CO., General Agents
213 & 215 SANSOME ST., SAN FRANCISCO, CAL.

Bankers—London and San Francisco Bank, Limited.

R. H. NAUNTON.....Manager City Department.

THE LONDON AND PROVINCIAL

Fire Insurance Company,

LIMITED, OF LONDON.

CAPITAL.....$5,000,000

HELVETIA SWISS

Fire Insurance Company,

OF ST. GALL.

CAPITAL.....$2,000,000

SWISS MARINE

Insurance Companies Combined.

CAPITAL.....$4,000,000

HARRY W. SYZ, General Agent,

420 and 422 CALIFORNIA STREET,

SAN FRANCISCO.

PACIFIC DEPARTMENT

LONDON AND LANCASHIRE

Fire Insurance Company,

OF LIVERPOOL.

Capital Subscribed	$7,500,000 00
Capital paid up in Cash	926,000 00
Total Assets in United States	1,398,546 88
Total Cash Assets	2,768,973 00
Surplus (in addition to above named capital) for Policy Holders beyond Liabilities	1,346,213 00

MANCHESTER FIRE ASSURANCE COMPANY

OF MANCHESTER.

Capital Subscribed	$5,000,000 00
Capital paid up in Cash	500,000 00
Total Assets	1,208,272 00
Surplus for Policy Holders beyond Liabilities	529,941 00

BALFOUR, GUTHRIE & CO.,

GENERAL AGENTS,

GEO. W. SPENCER, Manager.

316 CALIFORNIA STREET, San Francisco.

CASH CAPITAL,

$4,000,000.00.

INCORPORATED



CASH ASSETS,
Jan. 1, 1884.

$9,192,644.00.

1819.

For a period of SIXTY-FIVE YEARS this Company has occupied the position of the LEADING AMERICAN FIRE INSURANCE COMPANY.

Largest Cash Capital, Largest Cash Assets and Largest Cash Income of any Fire Insurance Company in America.

Losses Paid Since Organization, (65 Years), $55,500,000.00.

GEORGE C. BOARDMAN, General Agent.

T. E. POPE, Assistant General Agent.

N. W. WINTON, Agent, San Francisco.

HORACE A. REDFIELD, Agent, Oakland.

Office, 311 California Street, San Francisco.

THE

HARTFORD

Fire Insurance Company.

ORGANIZED 1794.

ASSETS, - - - - - $4,541,240

PACIFIC DEPARTMENT,

313 California Street, San Francisco, Cal.

A. P. FLINT, Manager.

BELDEN & ORTON, LOCAL AGENTS, SAN FRANCISCO.

COAST REVIEW.

A MONTHLY JOURNAL, DEVOTED TO FIRE, MARINE, LIFE AND ACCIDENT INSURANCE.

J. G. EDWARDS, Proprietor,

320 Sansome St., (Room 14), San Francisco, Cal.

(Take the Elevator.)

VOL. 20. JANUARY, 1885. No. 1.

Monthly Digest of Recent Insurance Decisions.

FIRE.

A CALIFORNIA DECISION — INCREASE OF RISK—FIREWORKS NOT GUNPOWDER.—Policy sued on provided that it should be void if risk were "increased by any means," or if "gunpowder, phosphorus, camphene, spirit, gas or chemical oils" were kept or used on the premises without written consent. The property insured was the plaintiff's "stock of stationery, books, toys and other merchandise" contained in a certain described building. The defendant by answer set up that at the time the fire in question occurred the plaintiff had in his store, wherein was the property insured, "gunpowder, to-wit: A certain lot of fireworks and like combustible merchandise made of gunpowder," without the written consent of defendant, and that the fire that destroyed the property insured "originated in and occurred by the combustion of said gunpowder in the said fireworks contained, and not otherwise." At the trial it was admitted that the fire "was caused by the explosion of a bomb thrown from the street among a lot of fireworks in plaintiff's store." The clause providing that the policy should be void "if the risk be increased by any means," was not set up in answer. The question was whether the fireworks kept by the plaintiff rendered void the policy under that provision of it prohibiting the keeping or use on the premises of "gunpowder." Defendant introduced no testimony tending to show of what the fireworks were composed. *Held*, That, although gunpowder may be, and usually is, one of the constituents of fireworks, it by no means follows that "fireworks" are "gunpowder." The latter is "a mixture of saltpetre, sulphur and charcoal separately pulverized, then granulated and dried." It was the mixture, called gunpowder, which, along with phosphorus, camphene, gas and chemical oils, the plaintiff was by the policy in question prohibited from keeping or using on his premises, without the written consent of defendant, under penalty of rendering the policy void. If defendant wished to provide that the policy should be void in the event the insured should keep fireworks, it ought to have said so, as other companies.—*Tischler* v. *California Farmers' Mutual Fire Ins. Co.; Cal. S. C., Nov.* 28, 1884.

CALIFORNIA DECISION NO. 2 — RECOVERY CANNOT BE HAD UNTIL DIFFERENCE OF OPIN-

ION HAS BEEN SUBMITTED TO ARBITRATORS, AS POLICY PRESCRIBES.—The lower court ruled that the evidence showed that plaintiff at no time offered to submit difference of opinion as to loss to arbitration, or took any steps to procure arbitration or award, and that defendant company was always willing to submit such difference. This ruling was sustained. Plaintiff contended, first, that the agreement to submit the difference of opinion as to the amount of loss or damage to the judgment of two disinterested men, etc., whose award should be conclusive and binding (in the absence of an agreement that the arbitrators should be the exclusive and only tribunal to which the parties would appeal) does not debar the aggrieved party from appealing to the courts; second, that the promise of defendant being to pay damages incurred by fire—not an award—its contract is broken by its failure to pay such damages. *Held*, That it is well settled that a general provision that all disputes, which may arise in the execution of a contract, shall be decided by arbitrators will not be allowed to deprive the courts of their jurisdiction. But the parties to a contract may fix on any mode they think fit to liquidate damages, in their own nature unliquidated, and, in such case, no recovery can be had until the prescribed method has been pursued, or some valid excuse exists for not pursuing it. In the case now here if the parties made the submission to arbitration a condition precedent to the right to bring an action on the policy, the judgment should be affirmed.

Referring to the conditions and stipulations, which qualified the general promise to pay in case of loss, it was *held*, That defendant company was not bound to pay until the declaration or affirmation, account and evidence therein provided for should be produced. That on proof of loss *and adjustment of accounts*, the company was bound to pay immediately, or, at its option, to rebuild; and that, in case of difference of opinion as to the *amount* of loss or damage, such difference should be submitted to the judgment of two disinterested and competent men, mutually chosen, etc. The language of the stipulations brings this case within the principle laid down in Elliott *v.* Royal Exchange Co.; that it is the clear meaning of the contract that if the amount of loss cannot otherwise be adjusted to the mode of arbitration therein prescribed, and that until such adjustment, or a fair effort on the part of the insured to obtain it, no cause of action arose.—*Old Saucelito Land and Dry Dock Co.* v. *Commercial Union Assurance Co.; Cal. S. C., Dec.* 18, 1884.

ORAL AGREEMENT—FORM OF POLICY—WAIVER.—Defendant, through its agent, agreed to insure plaintiff's shop and contents, insurance to be good from date and policy to be delivered on first of next month. Before the policy was issued the property was destroyed by fire. Notice of loss was given by telegraph, but no preliminary proof was given. It was held that the terms of the form of policy then in use were, by implication, embraced in the oral agreement. The form of policy expressly provided that the loss should not be payable until the preliminary proof by affidavit should be given. The jury found that it was payable, nevertheless, the defendant by its own acts depriving plaintiff of means of informing himself as to the condition of payment. The jury found, according to instructions, that defendant waived such condition by making no objection to manner of proof, and by refusing to pay on other grounds. No waiver was pleaded, however. *Held*, That after the loss, plaintiff's rights under the agreement were essentially the same without a policy as with it. Plaintiff needed, if anything, a mere form of policy as a means of information. He could readily have obtained such form of policy. No fault for not furnishing such form could be imputed to the company in the absence of any request.

The company was not called upon to make objection to any kind of payment until after suit was begun. *Held*, That acts or omissions relied upon as a waiver of preliminary proof should, in order to constitute such waiver, take place before action is brought, if not before the time has expired within which the assured has a right, under the terms of the contract, to supply

such proof.—*Smith* v. *State Ins. Co.; Iowa S. C., Oct.* 24, 1884.

THE RIOT CLAUSE.—Policy contained a clause exempting company from liability from any fire caused by "any person or persons engaged in any riot," or in notorious resistance to any lawful authority. The fire arose from the act of a convict who, while attempting to escape, assaulted the guard and set fire to loose straw in one of the shops, to distract attention. *Held*, That the fire arose under the exception of the policy.—*Strauss* v. *Imperial Fire Ins. Co.; St. Louis C. A., Nov.* 20, 1884.

INSURABLE INTEREST — ASSIGNMENT.—Plaintiff, owning elevators along one railroad, did not wish to be known as the owner of elevators along another railroad. A policy on one of the latter was taken out in the name of an employé who managed it. Plaintiff asserted that defendant knew him to be the owner of the elevator. To this the defendant demurred, as no oral evidence could be introduced to contradict the terms of a written contract. Plaintiff also asserted that his employé, the assured, had assigned his interest in the policy to him, the plaintiff. Defendant demurred that an insurance policy was not an insurance on a building, but simply an agreement to indemnify the policyholder against loss by the burning of such building; and as assured had no interest in the building, he could assign none. Both points of the demurrer were sustained by the court.—*Abraham* v. *North German Ins. Co.; U. S. C. C., Iowa, Dec.* 10, 1884.

WHEN STORAGE OF GUNPOWDER ON ADJACENT PREMISES BY INSURED DOES NOT VOID POLICY.—A one story building on an adjoining lot, some three or four feet from that mentioned in the policy, was used by plaintiffs as a storehouse. A covered way connected the two buildings. Defendant knew of existence of this storehouse, and of its use by plaintiffs. Giant powder or dynamite was kept in the storehouse, though it was not shown that defendants' agent knew that fact. This storehouse was not covered by the policy on the main building, upon which suit is brought. A clause in the policy prohibited the storing or use of gunpowder, etc., on the premises insured. An explosion resulted in a fire which destroyed the insured property adjoining. *Held*, That as plaintiffs were not limited in the use of the storehouse or any other building, except that in which the goods covered by the policy were kept, the defense that such articles were kept on the premises mentioned in the policy is not made out.

The principal question suggested by the evidence was whether the storage of gunpowder in the adjacent storehouse was material to the risk, and therefore a matter of which plaintiffs were bound to notify the defendant at the time of application for the policy. *Held*, That the warehouse was in use at the time application was made for the policy, and defendant had knowledge of it. Giant powder is usually kept in store in many towns, and it was a fair inference that plaintiffs were dealing in it. To store or keep it with the goods insured was forbidden, but nothing was said as to keeping it without the main building. The defendant should have prohibited the storage in the warehouse of the gunpowder, etc.—*Sperry* v. *Ins. Co. of North America; U. S. C., Denver, Dec.* 11, 1884.

MARINE.

SALVAGE BY TOW-BOAT — UNREASONABLE CHARGES—ATTEMPTING TO PROFIT BY FRIGHT —PERIL FROM FIRE IN THE VICINITY.—An oil tank exploded, and a fire broke out about two hundred feet from where the ship *Young America* was lying. The lines of the ship were cut by an unknown person, and she drifted down the river towards the fire, and put out a signal for a tow. The steam tug *Henry L. Waite* took up the ship when she was nearing the fire. Whether she was in immediate peril or not did not appear, but the testimony in the libel for salvage showed that her crew were much frightened, and availed themselves with great alacrity of the tug-boat's offer to tow them to a safe place. When the tug came alongside, her captain asked for the captain of the ship, and was told that he was forward. He then said to a man, whom he was informed was the ship's mate: "You tell the

captain that I will take him out for $1,000," and the reply came back: "Give him a line." The tug-boat captain claimed $1,000 as agreed salvage. This claim was denied by the U. S. District Court for New Jersey, and a different basis fixed. Judge Nixon, in the opinion, said: "The captain of the *Young America* states in his testimony that he heard nothing about the demand for $1,000, and says that he ordered the line to be given to the *Henry L. Waite* because he understood she came to offer to do mere salvage service. He had but an imperfect knowledge of the English language, and it is not clear that he comprehended that there was a demand for $1,000 for the service to be performed. But even if he did, I am not sure that a contract made under the circumstances of this case ought to be enforced. These contracts, made in the midst of excitement, are justly regarded by the courts with suspicion, especially when they are so unconscionable in character. There was no sufficient peril to the ship or tug to authorize the demand made. The service performed was a salvage, and not a towage, service. I conclude from the testimony that $300 will be a liberal allowance, and of this sum I give one-half to the owner of the tug-boat, $25 to her master, and $125 to her crew, including the master, to be divided amongst them in proportion to their wages. I should have made a larger allowance to the master if I was not strongly impressed that in demanding $1,000 he was attempting to profit by the fright and necessities of the claimants."

REINSURANCE — A CARGO DEFINED — LOSS DURING LOADING — INSURABLE INTEREST — "F. O. B."—This was an action to enforce a reinsurance contract. Plaintiff company applied to defendant company for "cover" not exceeding £2,000, being two-fourteenths interest in cargo of wheat per *Duke of Sutherland*, at and from Timaru, N. Z., to United Kingdom or Continent. On same day defendant's local managers, R. and R., sent to plaintiff a "cover-note," stating that plaintiff company was provisionally insured, as requested, declaration to be made on completion of shipment. One month later the vessel was wrecked and wholly lost, with a four-fifths cargo of wheat. Defendant company alone disputed its liability. The defense was that there was no contract to insure, as plaintiff was never *ad idem;* that the adventure insured against had never begun; and that plaintiff had no insurable interest.

In the cover-note the words "declarations to be made on completion of shipment" did not occur in request for cover. The cover-note was the usual printed form. The request for cover was wholly written. The variance was therefore dismissed as merely the omission from the request of a term always implied in contracts of that kind. Leading insurance agents testified that the word "from" used in the cover-slip was regarded as an abbreviation of the words "at and from."

It was argued that the risk insured against had not begun, because although the loss happened at Timaru, what was covered was a "cargo of wheat," and what was lost was only part of a cargo. Plaintiff contended that "cargo" meant that what is insured is something earning freight—"wheat," which is a "cargo." The Court agreed with defendant that *prima facie* "cargo of wheat" in this contract of insurance means a full, and certainly not a mixed cargo, but held that it does not follow that the risk does not begin until the loading of the cargo is complete. Experts all agreed that an executory contract of the kind under discussion includes the "loading risk," which in practice is very rarely excluded. It was held, therefore, that although the subject of the insurance is a "cargo of wheat," the indemnity contracted for covers a loss during the loading. It was also objected that the insurance being f. p. a., if the cargo had been fully laden, and as much of it as was lost had been thrown overboard or destroyed on the voyage, the insurers would have been freed from liability under the average clause. *Held*, That in that case the warranty against average expressly excepts the event—the stranding or sinking of the ship—causing the loss. In other words, the contract covers the loss in one event and excludes it in the other.

The question of insurable interest turned on the ownership of the wheat at the time of its loss. If the insured, Messrs. M., C. and G., did not own the wheat and it was not at their risk, they suffered no loss. The payment they made to the sellers was a voluntary payment, and they could recover nothing under their insurance with plaintiff. In this state of facts, plaintiff's payment was also voluntary, for which payment they could not recover from defendant. The cargo was to be f. o. b.—that is, at buyer's risk when shipped; but it was not shown that in the grain trade or in New Zealand there is any usage that wheat as it is laden vests in the buyer sack by sack. It was therefore held that according to the words of the contract it was a "cargo" that was to be "free on board," and that the expression did not cover the wheat on board the *Duke of Sutherland* at the time of her loss.

It was proved that the firm understood, and in carrying out their contract acted as though they understood, that the wheat was at the buyer's risk as it was put on board. It was in this sense that "f. o. b." was used. *Held*, That the letters f. o. b. in this contract were used with a meaning that the bags of wheat were to be at the buyer's risk immediately they were put on board, and that, therefore, the buyers had an interest.—*Adelaide M. and F. Ins. Co.* v. *Colonial Ins. Co. of N. Z., et al.; South Australia S. C., Sept.* 19, 1884.

LIFE.

INSURABLE INTEREST—ASSIGNMENT.—The policy was for the benefit of the wife of assured and for her children, if she should not survive her husband. The promise was to the assured, her executors, administrators, and assigns. Subsequently she assigned the policy to one Allen, for a consideration. Allen, the defendant, had no insurable interest in the life of assured except as his creditor. *Held*, That such interest ceased when he ceased to be a creditor by accepting the assignment in satisfaction of his debt. The question was whether he or the assignor had the equitable interest in the policy. *Held*, That the insurance contract is not one of indemnity for actual loss, but a promise to pay a certain sum on the happening of a future event from which loss or detriment may ensue, and if made in good faith is sustained by any interest existing at the time the contract is made. *Held*, That the policy was not negotiable, and her assignment, in Massachusetts, could not pass the legal, but only the equitable interest in the contract. *Held*, That the widow was still the assured, and the policy was payable to her. If the assignment was valid, the policy was payable to her in trust for the assignee; if void, for her own use. *Held*, That in no respect can the assignment affect the validity of the contract of insurance, or taint that as a wagering policy. *Held*, That an insurable interest in the assured at the time the policy is taken out is necessary to the validity of the policy, but is not necessary to the continuance of the insurance that the interest should continue; if the interest should cease the policy would continue. The value and permanency of the interest is material only as bearing on the question whether the policy is taken out in good faith, and not as a gambling transaction. If valid in its inception it will not be avoided by the cessation of the interest.—*Mutual Life Ins. Co.* v. *Allen et al.; Mass. S. J. C., Oct.* 24, 1884.

WAIVER.—Insured went to the torrid zone in violation of one of the conditions of his policy. There was also a discrepancy as to age, in proofs of death and application. *Held*, That as the company expressed satisfaction with proofs of death, and promised payment, this amounted to a waiver of the forfeiture claimed to result from failure to comply with such condition.—*Cotton (etc.) Life Ins. Co.* v. *Edwards; Ga. S. C., November*, 1884.

AGENT'S LIABILITY—RECOVERY OF PREMIUM.—If a person is induced by the false and fraudulent representations of the agent to take a policy of insurance, and to pay the premium thereon, he may rescind the contract, and in an action against such agent, recover as damages the amount of premium so paid.—*Hedden* v. *Griffin; Mass. S. C., Jan.* 14, 1884.

INSURABLE INTEREST — WIFE'S POLICY.— An insurance policy taken by the assured provided for the payment of a certain sum within thirty days after due notice and satisfactory evidence of his death, to his wife, or the legal representatives of the assured. *Held*, That the intention of the assured was, that his wife should have the proceeds in case she survived him, but in case she did not, such proceeds were to go to his executor or administrator, to be distributed in the due course of administration; and that after the death of his wife he had the same right as if the policy had been made payable to himself, with the consent of the insurer to surrender it, and take out another, making a different disposition of the proceeds. The words "legal representatives," in a policy of insurance, as designating the beneficiaries, when there is nothing in the context or surrounding circumstances to indicate a contrary intention, mean "executors or administrators." A policy of insurance payable to the legal representatives of the assured, is the same as if made payable to himself. Where a policy of insurance is made payable to the wife of the party procuring the same, or his legal representatives after the death of the wife, there being no children, the assured will have the same power over it as if it had been originally payable to himself, his executors and administrators, and with the consent of the insurer he may surrender the same, and take out a new one payable to another person. The insurance of one's own life by a party, for the benefit of one not a relative, is not void on grounds of public policy, as tending to encourage the commission of crime. But if it were, no one but the insurer can raise the question. That cannot be urged by the heirs of the person insured.—*Johnson* v. *Van Epps; Ill. S. C., May* 19, 1884.—*Ins. Law Journal, Dec.*

BENEFICIARY CREATED WITHOUT FORMAL TRANSFER OF POLICY.—The policy, although on its face payable to his legal representatives, was taken out by the decedent for the benefit of his intended wife, and after marriage was delivered into her custody. He neglected formally to assign it, but repeatedly declared that his wife was entitled to the proceeds of the policy. *Held*, That the insurance money was not an asset of the husband's estate.—*Madeira* v. *Madeira; Phila. O. C., Nov.* 29, 1884.

ASSIGNEE'S RIGHTS.—M. was indebted to B. in less than $300, and assigned to him a policy of insurance on his life for $2,000. B. paid the premiums up to the time of M.'s death, and then collected amount of policy. M.'s widow claimed the excess of money collected on the policy after payment of the original debt and interest and premiums paid, and brought action for such excess. *Held*, That where the life policy of a debtor was assigned to the creditor to secure an indebtedness, notwithstanding that the creditor paid out the premiums as they became due, the amount collected after death of insured, after deducting debt, interest and premiums paid, went to the heirs or personal representatives of the insured, and that the amounts due by several persons could not be covered by an insurance on the life of one debtor.—*Mason* v. *Bryan; D. C. S. C., Nov.*, 1884.

ASSESSMENT.

INSURABLE INTEREST.—In many respects certificates in mutual aid or assessment societies are governed by the same rules as those which prevail in cases of ordinary contracts of life insurance. The beneficiary of the member of such society must have an insurable interest in the life of the member.—*Elkhart Mutual Aid Ass'n* v. *Houghton; Ind. S. C., Oct.* 30, 1884.

WIFE'S INTEREST IN CASE OF HER PREVIOUS DEATH.—A certificate of insurance issued by a mutual aid insurance association in favor of the wife of insured, which reserves to the latter the right to change the beneficiary at any time, confers upon the wife no right or interest which can pass to the administrator, in a case where the death of the wife precedes that of the husband, and the latter dies without designating any other beneficiary.—*Tafel, Adm'r* v. *Supreme Com. Knights of the Golden Rule; Superior Court of Cincinnati.*

Poverty.

We have no sympathy with that optimism which sings the praises of poverty, for poverty has no virtue that is not better cultivated by a comfortable competence, and it has vices that the latter has not. What the optimist mistakes for the virtues of poverty are the virtues of industry; and the vices of wealth which the poor escape are exceeded by worse vices which many cannot evade who are surrounded by the degrading influences of poverty. It is a mistake to suppose that the greatest stimuli of industry are the lowest forms of necessity. The best work, the most elevating, the most steady, the most thoughtful, the most labor-saving, the most conscientious work, has been done by intelligent, well-fed, well-clothed men and women working, not for the necessities of life, but for the luxuries. Talk not to us of the advantages of poverty! It is an unmitigated evil, and it is responsible for most of the vice, most of the crime, most of the misery of life. It would be better for the morals of the world, better for the health and industry and intelligence of the world, if every family in civilization was backed up by at least $5,000. That would mean free shelter and fair wages. There would then be none of the curses, none of the vices, none of the wretchedness, and little of the crimes of poverty. This is not so utopian as it may appear. There never will be a time in this world when poverty will be wholly banished; for there will never be a time when humanity shall cease to be imprudent, when marriages without other dowry than health shall cease, when there shall be no sickness, no failures, no reckless extravagance—when, in short, all men shall be, not learned, but wise. That happy time will never come, and insofar there will be no utopia. But if life insurance were taught in the schools and urged from the pulpit; if every married man kept his life well insured in good companies; if every working man maintained an endowment insurance on his life; in short, if life insurance were general throughout the civilized world, and not exceptional as it now is, nine-tenths of the poverty, and ignorance, and disease, and vice, and crime and sorrow afflicting humanity would be banished from the face of this beautiful earth.

Wages and Life Insurance.

It is the special effort of all trades-unions to diminish competition among wage-workers and thus maintain fair wages. There are strict rules regulating the employment of apprentices, and workmen who accept employment at less than the established wages are expelled from such organizations and socially tabooed, and thereby deprived of all the fraternal and material benefits derived by union men. Even where the unions do not exist, there are unwritten laws of the various crafts which workmen generally respect, and to violate which exposes them to the scourge of scathing reproach and the insolent contempt of their fellows. These workingmen's organizations have done much good despite their failures, their harsh measures and their frequent injustice. They have often secured liberal wages, and generally maintain fair wages or prevent a too great reduction. Their existence and power is a perpetual restraint upon the cupidity of employers and the rashness of competition.

These workingmen's societies neglect an exceedingly important auxiliary in their struggles with capital and competition in failing to urge, aye, require, the insurance of the lives of members, married and unmarried. It is especially important that married workingmen should insure, for the competition that reduces wages, the necessity that must soonest yield to the employer, comes almost entirely from married men. The married workingman has dependent mouths to feed, rent to pay, and clothing to buy for others; therefore he cannot "strike" at a moment's notice, or "tramp," like the single man. What remedy will life insurance give? In what respect will life insurance alleviate the condition of labor by aiding labor unions? These are the questions to be considered.

In the first place, life insurance—we refer to regular life insurance, to the genuine article—gives the married man a collateral upon which he can borrow money to sustain himself and family during strikes and

hard times. In the second place, if it is endowment insurance, he is provided with a small capital with which to retire to a small ranch, or engage in business, at age 50 or thereabouts, and thus realize a long cherished dream of independence. The general withdrawal of workingmen at that age from ordinary pursuits would greatly diminish competition in the labor market. In the third place, if the workingman thus insured dies, his family, if he has any, is provided for handsomely. The widow and children are not forced, by the destitution in which most workingmen's families are left, to accept work at any price sufficient to keep soul and body together.

In the large cities in the East, thousands of women and children toil early and late for a pittance which will barely maintain life, and does not clothe them comfortably, perhaps not decently. Many make shirts as low as two and a half cents per shirt. It was the desperate competition of destitution that reduced their pay to starvation wages. If life insurance had been general among the husbands and fathers of those wretched women and children, there would have been no destitution, no fierce struggle for bread, no starvation wages. The men who thus neglected their duty, who ignored the possibilities and sure relief of life insurance, were in the main workingmen.

Every laborer, every workingman, every citizen, is interested in the elevation of the condition of every worker below him. The prosperity of the lower strata means the sure prosperity of the upper; and the weakness of the foundations is a menace to the entire industrial superstructure. The extreme low wages of the women and children, and of the ill-paid everywhere, depresses the wages of other workers clear to the top of the industrial framework. Every workingman, therefore, has a profound interest, and every citizen an interest scarcely secondary, in universal life insurance.

Unquestionably life insurance can be made an invaluable means of self defense against the demands of employers, and it is the strongest shield to protect the laborer from a competition—that of destitution—which cannot be defied. The writer is surprised that the many intelligent, thoughtful workingmen who dignify labor have not taken up this idea, and earnestly advocated life insurance at the regular meetings of the craft societies. It is clear that if life insurance were universal among workingmen, they would be almost irresistible in every fair demand made of employing capital. Life insurance would contribute inestimably to the elevation of labor by making it powerful and independent, and, besides, it would cultivate among many unusual habits of useful economy.

The influential members of labor unions should give due consideration to the subject of life insurance in its bearings on the condition of workingmen, and resolve to unceasingly urge the general adoption of life insurance as the greatest foe to poverty and labor competition, and therefore the greatest friend of the workingman.

A Sensible Property-Holder Admits the Value and Justice of the Compact to the Insured.

In an address to the business men of Omaha, Neb., Mr. P. E. Iler, President of the Willow Springs Distilling Co., recounts his experience with the local compact and frankly admits his error in regarding that organization as a pool for forcing excessive rates on property-holders.

The distillery of which he is President was rated at six and a half per cent. (an advance of one and a half), by the manager of the compact, after an inspection of the premises. The distilling company, being very much incensed, dropped their insurance as fast as it expired and President Iler visited New York, Cincinnati and Chicago, and endeavored to get insurance at the old rate. He found, to use his own words, "that all the best companies—those who had so often stood by the citizens of Omaha in their calamities by fire—were now in the compact, and preferred to stay there even at the loss of their business." "Other companies I did not want," significantly adds the President.

After carrying their own risk for about six months, the company invited the com-

pact manager to visit the distillery, hoping that when the good qualities of the risk were pointed out to him, he would give them a better rate. The manager came, as requested, and in the course of the examination thoroughly satisfied Mr. Iler that the advance in rate was warranted by the condition of the risk. Mr. Iler, in his manly confession, says that the compact manager pointed out the weak and dangerous places in the risk, and showed the utter impossibility of saving any portion of the building. Suggestions were made as to guarding against fires, and the provisions for checking or subduing any that might break out. The fairness of the companies in organizing those compacts, and their usefulness to property-owners, are neatly expressed as follows: "It dawned upon me that the companies were working not so much to advance rates and obtain excessive premiums, as to get better risks to write, and they are making their rates to correspond with the hazard they assume." In accordance with the suggestion of the manager, the risk was improved by the introduction of stand-pipes, sprinklers, hose, iron shutters, steam jets and other improvements. The rate was immediately reduced one per cent.

The distillery subsequently caught fire. Mr. Iler, who was present, says he has no hesitation in saying that the improvements introduced at the suggestion of the compact manager saved the building, as they operated in places where no fireman could live. Every improvement was useful and helped to keep the fire in check, when time was so precious, until the fire department arrived and got to work. These appliances limited the loss, except in the upper stories, to a nominal sum.

Mr. Iler's concluding remarks we commend to the consideration of those numerous and well-meaning but ignorant property-owners who imagine that insurance compacts are similar to railway pools, and are designed and able to cinch the insured. He says: "I am convinced by my own experience that we should work with the insurance companies, instead of against them, in their efforts to induce people to build a better class of buildings, and introduce the latest and most improved appliances for the prevention and extinguishing of fires. We may not always see the necessity of improvements suggested, nor agree with them as to what a rate should be, but their experience is wider than ours on these matters, and we should at least be reasonable in our objections."

Insurance Journalism Needs no Defense.

Occasionally in an exchange there appears an article in which the value of insurance journals is gravely argued, as though any defense were needed. The article is suggested, perhaps, by the experience of the business manager with some old fogy insurance official whom he has unsuccessfully solicited for an advertisement. Insurance journals are more useful than any other class of trade journals, and they are better in every point of view. They are valuable and indispensable just in proportion as the manager and agent are live, progressive men, ready to profit by experience, by news and rumors, and quick to accept and able to improve the practical suggestions and views of others. But the usefulness of the insurance press in these respects is a mere bagatelle to its value to companies in exposing and preventing insurance frauds.

If it were not for the insurance journals, which stand ready to denounce fraudulent insurance enterprises, and are fast-speeding messengers to carry the news to every community where an insurance agent is to be found, there would be annual crops of frauds like the Midland Fire of Salt Lake, which would encroach on the business of the square companies considerably. The pecuniary value of the services of the insurance press in this respect alone immeasurably exceeds the cost of the press to the companies in the way of advertising. Yet there are illiberal companies that contribute little or nothing to the support of this invaluable auxiliary, by which they profit so largely. It is a parsimony and a shirking of duty which suggest that they are not likely to deal fairly, certainly not liberally, with claimants.

Portland Correspondence.

PORTLAND, OR., Dec. 26, 1884.

EDITOR COAST REVIEW—The year 1884 is just drawing to a close. A great many people object to looking backward. They rush blindly forward, and time does not seem to fly fast enough for them. I think we Americans as a rule are far too prone to push wildly ahead, instead of, by carefully surveying the past, being able to make a more concise diagram of the present, and by so doing be better prepared to meet future expirations. Our business, particularly, cannot afford to ignore former lessons, but, on the contrary, must profit greatly by past experience. To-day we accept a risk which next year we mark "prohibited;" to-day we write a line which next year we find it wise to reduce, and so on.

As I sit here ruminating, my mind wanders back to the past. Many things rise up to recall what has been and what might have been. Three years ago (how time slips by!) and I can see us all gathered round the gay and festive board, for we felt so kindly toward one another that our feelings had to find an outlet in a banquet. There sat good old man Caldwell, presiding at the feast. Addie Bachman sat on his right. Just before we parted, Addie, on behalf of the agents here, in a neat little speech, presented Mr. Caldwell with a handsome invalid chair, for the old gentleman had been paralyzed for some years. Now where are these two actors who took prominent parts that night? One resting quietly in his grave, the other a disgraced and wandering outcast!

As I proceed further, it seems to me that the philosopher who is reported having said, "The race of life has become so fierce that woe be unto the man that stops to tie his shoestrings, for he will be most surely trodden under foot by those following behind him," must or ought to have had the insurance business in mind; for, owing to unjust competition, engendering a raging rebate war, our business, to both companies and agents, was fast becoming non-productive. Risks at this time were frequently written which in our cooler judgment we might have refused; rates were often made which were hardly warrantable; and all this, simply to outdo each other, or to see who could send in the largest premium list. At this critical juncture the compact was successfully inaugurated, and veritably came to us as a perfect godsend; a paid, well-drilled and thoroughly organized fire department was substituted for the volunteers; the powerful hydraulic system was accepted by the city; and last but not least, the engaging of a good fire-boat to protect our water front. Who, on reading this, will say that we are not trying to profit by the past, and doing all in our power to make satisfactory returns in the future to both companies and assured.

And now let us look at the year just finished. Secretary Eppinger kindly furnishes me with the following rough estimate of losses, etc., in Portland up till date, which I compare with 1883:

	Losses.	Insurance Involved.	Insurance Paid.
1884.....	$403,113 90	$738,030 00	$337,997 96
1883.....	319,592 20	699,750 00	252,721 22

Hardly encouraging news, but you must bear in mind that we are not exactly to blame for this bad showing. A sudden and disastrous break of a fictitious bōom, a general depressed state of business reaching far and wide, all tended, in spite of our utmost caution, to offer frequent inducements for holders of policies to find the easiest way out of their difficulties by selling out to the companies. This experience stands us well in hand, and we are more than ever inclined, by carefully scrutinizing both the moral and physical hazards, to look well before we leap.

Death has also seen fit to carry off some of our choicest risks. Poor George Piper, a sterling young fellow, was suddenly taken off; Mr. Coffran loses his wife, Mr. Dobinson his son, Mr. Harvey his mother, and Mr. Sloan his dear little daughter.

In spite of all this we enter with renewed hopes, with fresh vigor and with untiring energy into the coming conflict of 1885. Times, it is true, are unusually dull, business remains depressed, but we have the solace of knowing that we are not the only ones passing through this state of affairs.

The whole country—in fact, the entire world—seems to be suffering with one of those periodical and unaccountable spells of hard times. We, however, shall do our level best to be one of the first to pierce this gloom, for we have a large fine country to draw on, and numerous other things are in our favor.

I do not think I am overstepping the limits when I assert that we hope to be able to make the coming year show up some extra good results, and by so doing help to redeem our recent past unfortunate experience. With a large anticipated immigration, a good deal of promised capital to open up our country, and the successful working of the new mines, we have reason to believe that the future promises brightly. I have dwelt rather lengthily on this theme, but where our companies have so many millions at stake, they will no doubt in resurrecting the past be pleased to see bright prospects ahead of them. I sincerely trust that my predictions may be fully realized, and that when I am called on to write my next December letter, my prophecies may have been more than verified.

Manager Niles, since his advent here, has rated the following towns: Walla Walla, Seattle, Tacoma, Olympia, Chehalis, Waitsburg, Cheney, Colfax, Dayton, Spokane Falls, Vancouver, Sprague and The Dalles.

Since writing last we have had a fire in the Chinese quarter, but, owing to prompt attendance of the department, it was not allowed to spread far. Independence, Spokane Falls and Oakland have all had fires, and helped to add considerably to our country losses.

Marine James, of the Firemans Fund, paid us a visit, in connection with some losses in his department.

J. W. Staples came up and staid over a couple of steamers. We had an opportunity of showing him some of our fine Oregon weather, and we took advantage of it in good style.

I just learn that a strong effort is to be made to repeal the deposit law in the coming legislative meeting next month. As the companies at present represented here are considerable losers, I think we ought to take some action, and that immediately, to prevent what would invite a general demoralization and hinder us getting what we are entitled to. A good many agents have spoken to me on this subject, and are very anxious that some immediate steps be taken, otherwise it might be too late. The old trite saying, "An ounce of prevention is better than a pound of cure," will fully explain this matter. Somebody ought to be authorized to move in this matter, and that without delay.

The Oregon Fire and Marine still hangs fire in regard to joining the compact, although Secretary Hall is doing all in his power to bring about this much desired action. He informs me he has strong hopes of arranging the matter satisfactorily by next month.

Yours very truly,

NAOLS.

High Death Rate Kills a First-class Co-operative.

The Directors of the Railway Employés' Mutual Benefit Association, which has been in existence for fifteen years, have issued the following notice of dissolution:

"Our number has grown so small that we deem it our duty to call your special attention to the fact. With but little over 100 members, which would entitle a beneficiary to but little over $100, the certainty of further decline, and of not being able to pay running expenses, we feel that the days of usefulness for the association are gone. The record of the association has been a grand one. It has distributed over $400,000 to the families of our deceased fellow-workers. The majority of our members know of the many reasons which have caused the decline in membership, the principal one being the large death rate. New societies have been formed, members have become widely scattered, representatives have left the railroad service, and with their going, members have ceased to pay assessments, and, like other matters, a decline fairly started, it becomes rapid, as the last year's experience has shown. We know that the affairs of the association have been conducted in an honest and painstaking

manner. We feel now that we can only advise all of the members to pay the assessment which accompanies this circular, and which covers all claims against the association, and resign their membership, and thus allow the board to close up the affairs of the association."

Next!

A Slippery Broker.

A recent correspondence between a prominent insurance firm of San Francisco and J. Bennerscheidt, of Anaheim, Cal., disclosed the fact that the broker through whom Mr. B. procured insurance had retained the premium ($200) paid by him, leaving the general agents under the impression that the insured had paid nothing. The correspondence also supplies a very good text for a little lecture upon the evil influence of credit on the business of insurance in general and on the morale of local agents and brokers in particular. The latter are "led into temptation" by the system; and for the losses thus entailed, and the loose and irritating business methods inseparable from the system, the general agents are alone to blame.

The name of this slippery broker is A. W. Steinhart, also of Anaheim, where he represents, or pretends to represent, several insurance companies. On the 17th of January, 1884, he delivered several policies to Bennerscheidt, and in return was paid $200 in premiums, which was the sum due. Four months later he remitted $100 on account to the general agents who had issued the policies. This sum was supposed to have been a partial payment by B., and he was credited with it. A dwelling thus insured becoming vacant, request was made that the policy be canceled and the unearned premium be returned. Then followed the exposure of Steinhart. When confronted by B., on August 29, he professed to be greatly indignant, and claimed that he held the general agent's receipt in full; then he admitted he owed a balance of only $40 on all the business done with them. But a day or two later he remitted the premiums.

For over eight months Steinhart had retained a considerable sum of money paid in trust to him, and thereby jeopardied the interests of the insured, whom he had deceived by claiming to be the authorized agent of companies with which he had dealings as a broker only. To what extent he has been guilty of similar breaches of trust in his dealings with other policyholders and other general agents is simply a matter of conjecture. Enough is known to warn the companies and the public to be careful in dealing with him, if it be not wiser to let him severely alone.

The general agents are not exempt from blame in the matter, for they allowed an irresponsible broker a good deal of latitude in respect to credit. The question rises, too, as to how Steinhart procured his application blanks if he was simply a broker.

Laying aside the question of credit, it may also be asked whether it is a safe business for San Francisco offices to accept risks through brokers in the interior, whose responsibility as men and capacity as insurance intermediates have not been proved. So far as the experience of underwriters in this field goes, the offices which have steadfastly refused to deal with this class of business have accumulated evidence that their course has been eminently a wise one.

Contemporary Views.

THE TRUTH.

All the theoretical twaddle in the world will not avail against splendid practical results as shown by the American companies. Instead of trying to disparage their formidable adversaries, the British offices should try, by an active and progressive policy, by the acquisition of well-selected new business, by rigid medical examination, by the prompt payment of claims, and by the fullest publicity of accounts and assets, to secure the lasting favor of the public.—*London Truth.*

THE INSURANCE JOURNALIST.

The intelligent journalist is the insurance generalizer. With no preconceived bias toward the experience of one office more than another, and freed from those trammels which instinctively lead every business man to look through the spectacles of his

own class, the journalist stands in a position to pass a fuller and fairer and broader judgment. Time and again we have seen the matter illustrated in our own office experience, when some pet dogma of the profession, whose unsoundness we have long recognized, has been brought to the test and its fallacy exposed.—*Monitor*.

A FEATURE OF FRATERNAL INSURANCE.

A court in Canada recently awarded heavy damages to a man who had been badly injured while being initiated into a lodge of Odd Fellows. He was roughly handled and his injuries were permanent, so he brought suit against the lodge with the result stated. The incident ought to teach a lesson. It is the custom of many lodges of various orders to make an initiation the occasion of horse-play that is unseemly as well as dangerous. The rituals of nearly all orders are solemn and are intended to inculcate moral lessons. When members forget this and become riotous over the opportunity to torment an unfortunately too confiding candidate, they are false to the teachings of the fraternity they profess. Fun is a good thing in its place, but it often leads to unjust and disgraceful conduct on the part of those who should know better.—*St. Louis Observer*.

POLICYHOLDER'S TITLE TO THE RESERVE.

A correspondent has put to us the plain question, "Has a policyholder in a life insurance company a *bona fide* property in the reserve upon his policy?" The laws of some States imply that he has, and provide that such reserve shall be used to sustain a policy in force in cases where the insured may neglect to pay the annual premium, and no actuarial reasons have been adduced to show that such an application is incompatible with the safety of the company. Some of the British companies acknowledge this right even more definitely, and have tables constructed for the information of policyholders, describing the sums to be refunded to the insured at certain ages of his policy. And guided by these instances and the equity of the claim, we are disposed to think it not improbable that if such a claim were ever submitted to the courts, though it might be stoutly opposed, and the final battle should be fought in the court of last appeal, the struggle would end in the triumph of the claimant.—*Insurance and Real Estate Journal*.

UNINSURED AGENTS.

A contemporary has just been delivering itself of a dissertation on the iniquity of insurance agents not being themselves insured. It points out to the uninsured agents how, when canvassing, they can tell their friends that they are insured—that they are provided against fire, small-pox or death—and the blessings of insurance will at once penetrate the halting and secure their business. We are not going to dispute that agents ought to insure, for we hold it to be the duty of every man in a position to do so; but we fail to see how the insurance agent is to be prevented from telling a story—though of course we don't believe one would—to secure a new policy. We have no elaborate data to go upon, but our own experience of agents tells us that the bulk of them are uninsured. We regret it, but we cannot cure it, and we have a dim remembrance of something about signposts, wicked parsons and about shoemakers' children going the worst shod.—*London Insurance World*.

A "SECULAR" VIEW.

The rates charged by life companies for insurance are guaranteed to remain stationary, or decrease, if insured with "profits," while the cost in assessment societies cannot be guaranteed not to become double in another five years. Indeed, no guarantee can be had that all the healthy members will not cease to pay assessments next year, in any society, and thus bring the whole machinery to a sudden standstill. Your good intention is not insurance for your own family; nor can the good intentions of other honest men be insurance. Some widows and orphans have been benefited by "purely philanthropic collecting agencies," but more have been sadly disappointed. The facts are that the promoters of these societies have not placed them upon a sound basis, and when tried by the test of time they are found wanting.—*Chicago Evening Journal*.

Legal Notes.

In the suit of the Pittsburgh Exposition Society against the Union of this city, and the London & Provincial, the defendants compromised, owing to the illness of a juror. It was a test case. The defence proved that the society was negligent in permitting a balloon to remain in the boiler house. It was the drying of this balloon that caused the fire, it is supposed. The other companies will pay in proportion—about ten-twelfths.

One Beacher, a decrepit old man, insured in a Pennsylvania graveyard co-operative, but soon after transferred the certificate to a Dr. Lehr, to whom he was indebted for professional services. A few months later Beacher died and Lehr collected the insurance money. He refused to give the widow anything, but finally paid the funeral expenses, as she was left destitute. Suit was brought against him, and the jury returned a verdict for the widow for the full proceeds of the certificate, less the debt of the insured, premiums paid, funeral expenses, etc.

In 1877 the father of a deceased policyholder in the Equitable Life Assurance Society, crediting the false statements of an agent, and being hard-pressed for money, settled with the company for the amount paid in premiums by his son, with interest. He subsequently brought suit for the recovery of the amount insured, and the case was finally disposed of by the Indiana Supreme Court on December 12, 1884. The Court held that the law would not permit defendant to enjoy the benefit of a contract made by the false representations of one of its agents to a weak and afflicted person.

A rule of the association required that applicants should be eighteen years old. Insured was under that age when he became a member. Agent assured the young man that a few weeks would make no difference. In a similar case the President of the association enjoined upon the agent "never to lose an applicant on account of a few weeks." Before applicant became eighteen he was killed. Payment of the insurance on his life was refused by the hat-passer, and suit followed. The Superior Court of Marion county, Ind., decreed that plaintiff was not entitled to recover. An appeal was taken.

In the case of Orton *v.* Connecticut Mutual, in the U. S. S. C., the Court justified the refusal of the lower Court to allow the physicians of the insured to testify, but blames the code. The injustice of the law is admitted. In the lower Court the Judge was asked to instruct the jury to return a verdict for the company if the evidence showed that the insured had answered falsely when he said he had no affection of the liver. The Judge refused to give such instructions, and the Supreme Court sustained his ruling. It was held that unless Orton had an affection of the liver that amounted to a disease so well defined as to materially derange that organ, the negative answer was a true and fair one. It will be remembered that the insured, Wm. Orton, was the President of the Western Union Telegraph Company, who, it was said, died from overwork and "under-feeding."

Insurance for Poor Men.

The perfect co-operative organization is one whose functions consist solely of collecting and disbursing death assessments. In it there can be no such thing as laying up treasure for the future. Whatever is paid in has to be paid out again almost immediately, because its very theory is that no insurance money is due from a member until a death occurs. Whatever concern departs (as many of them do) from this practice, departs from the central principle of co-operativeism. How, in the name of common sense, can it be a good institution for the poor man? In it he can find no insurance that is good during the months or years which come upon him when he cannot spare money for premiums or assessments. When such a time comes, if he has belonged to a co-operative, every cent he has paid is lost forever. But in a straight, sound, legitimate insurance company he can still retain the advantage of all the payments he has made and take a paid-up policy good for all his life, even if misfor-

tune has prevented him from continuing payments on his original policy. This paid-up policy would, of course, be proportioned in amount to the length of time he had been in the company and to the amount of the premiums he had paid. For these reasons, a regular, old-line company is the only one for a poor man. None but the rich can rightly afford a co-operative membership, for it is not much to them if in the end they have thrown away some money on what is at best only temporary and not *life* insurance.—*Western Insurance Review.*

The Art of Persuasion.

Another name for the solicitor is the persuader. Solicitation consists in influencing others to do things which, if left to themselves, they either would not do, or would defer doing. Solicitation in life insurance consists in inducing men to insure in the Now instead of in the After-Awhile. To accomplish this end the solicitor or the persuader requires to be not only wide awake at all times, to be intelligent and apt of argument, but to possess qualities which will open to him the confidence and respect of the men he approaches.

Success in solicitation does not come wholly by persistence and perseverance, for there are right times as well as wrong times to be persistent. It does not consist entirely of ability to argue ingeniously and convincingly, for all men are not admirers of the beauties of logic. It does not lie exclusively in conviviality and good fellowship, in making personal friends and then presuming on friendly intimacies to procure business.

Happy is the solicitor who is always able to make a good impression on strangers at first contact. Anything less than a positive antipathy may be called a good impression—by some. But the sort of impression which sets the solicitor down as a good-natured fellow, without any special force of character; or a chap as sharp as lightning, but insincere; or a half-hearted, constitutionally weary being, are not good impressions. A good impression is one which leads the impressed to look upon the solicitor as a person who chose instead of stumbled upon his profession, who believes what he says, who is a gentleman and not a boor, who is an equal not an inferior, who makes no apologies for visiting you, because he has no apologies to make, who will reasonably respect your dignity, and in turn expects to receive courtesy at your hands. In fine, a solicitor makes a good impression by ingeniousness, polite manners and refined speech.

Timid men, who are thrown into embarrassment by a frown; men who are foxy and have over-much cunning in the corners of their eyes; men who are cold, unsympathetic, and non-magnetic, and men who are as glib as auctioneers or licensed venders, never make the best life insurance solicitors. Neither do men who see only the poetical side of things and talk for ever of ruined homes and desolate hearths, or the men of facts and figures who perpetually parade ratios and tables.

If technical schools existed for the purpose of teaching the art of persuasion, the primary lesson probably would be instruction in human nature. Knowledge of human nature is invaluable; but of no other sort of knowledge is the saying that "a little knowledge is a dangerous thing" so true as of knowledge of human nature. The skilled reader of faces and proficient judge of dispositions seldom makes a show of his gift. On the contrary there is no more objectionable creature on the face of the earth than the impudent individual who goes about endeavoring to divine other people's motives.—*The N. Y. Chronicle.*

Necrology.

Following is a list of prominent underwriters who died during 1884:

Backhouse, J., President Kings County Fire of Brooklyn, Sept. 28.

Burtis, Wm. A., Jr., President Empire City Fire Insurance Company of New York, Dec. 11.

Crowell, Martin L., of New York, for many years President of the Irving, April 7.

DeGroot, Nicholas, Assistant Secretary Union Mutual Life of Maine, June 15.

Dunton, Wm. C., Vice-President Homeopathic Mutual Life of New York, May 1.

Furman, John M., President Farragut Fire, Dec. 11.

Harris, Clarendon, for forty years Secretary State Mutual Life of Worcester, Mass., Jan. 12.

Jones, George W., President Miami Valley Insurance Company of Cincinnati, Jan. 31.

Murphy, Col. J. S., President Mobile Life, shot by a neighbor, July 27.

Ostrander, Cornelius, V. B., President of the Merchants of New York, May 17.

Palmer, Wm. Pitt, President of old Manhattan Fire of New York, May 2.

Seymour, Walcott, President Burlington Fire of Iowa, Oct. 21.

Sharp, Daniel, of Boston, for over twenty years Vice-President of Mutual Life of Maine, July 12.

Thayer, Charles L., ex-President Manufacturers of Boston, June 5.

Van Allen, Adam, President Commerce of Albany, N. Y., Aug. 11.

Van Husen, Caleb, President Detroit Fire, Aug. 20.

Veitch, Isaac M., Secretary Hope Fire of St. Louis, May 22.

Weber, Charles, President German Fire of Baltimore, Nov. 9.

Wilson, John S., Secretary and Treasurer American Life of Philadelphia, Feb. 11.

A Fiery Year.

The year 1884 did not fulfill the hopes of the sanguine, being a worse year, in its treatment of fire insurance interests, than its bad predecessor. The aggregate amount of property destroyed by fire was not only greater, but the volume of premium receipts was seriously affected by the commercial depression prevailing the world over. Perhaps the business of fire insurance has suffered more in this country than in Europe, both from excessive fire losses and bad times; but the difference either way is scarcely a subject for dismal self-congratulation by the less miserable. One thing is reasonably certain in the midst of so much uncertainty: the bottom of this financial grade down which the business world has been rolling, cannot be far away. There has been a steady decline in trade and values within the past year or more, with an unpleasantly rapid movement within the past few months; but things are so visibly near "hard pan," that a prosperous reaction may be confidently anticipated within the next six months.

The fire losses in the United States and Canada during 1884 amounted, in round numbers, to about $111,000,000, an increase of $10,000,000 over the losses for 1883. This gain is out of proportion to the growth of the two countries, and it may well dismay, not only the underwriters, but the few who realize what a frightful burden this annual tax is to industry. The monthly fire losses in 1883 and 1884, of the two countries, were in round numbers, about as follows:

MONTHLY FIRE LOSSES.

	1883.	1884.
January	$ 9,000,000	$ 12,000,000
February	7,000,000	7,000,000
March	7,750,000	8,500,000
April	7,000,000	10,000,000
May	8,750,000	9,500,000
June	6,000,000	7,000,000
July	8,000,000	9,000,000
August	10,000,000	10,500,000
September	7,750,000	9,000,000
October	9,000,000	10,000,000
November	8,750,000	7,500.000
December	12,000,000	11,000,000
Totals	$101,000,000	$111,000,000

There were 180 fires last year, in the United States and Canada, at each of which the losses were $100.000, or more. There were fewer than 150 of such fires in 1883. Following is a list of the principal fires, with an estimate of the property lost at each:

NOTABLE FIRES.

Philadelphia	February	$1,200,000
Cleveland, O	September	1,125,000
Utica, N. Y	March	675,000
Connesville, Pa	July	650,000
Palatka, Fla	November	650,000
Anaka, Minn	August	650,000
Philadelphia	May	600,000
St. Louis	January	575,000
Fall River, Mass	April	500,000
West Carthage, N. Y	October	500,000
Portland, Conn	March	400,000
Boston, Mass	June	400,000
Dubuque, Iowa	September	400,000
Brisbin, Pa	May	375,000
East St. Louis, Ill	March	350,000
New Orleans	June	350,000
Port Perry, Canada	July	350,000

OAKLAND HOME

INSURANCE CO. OF OAKLAND, CALIFORNIA.

Fifth Annual Statement, January 1st, 1885.

Amount of Capital Stock paid up in Cash, $200,000.

ASSETS.

Real Estate owned by Company, unincumbered	$ 90,205 15
Loans on Bonds and Mortgages	91,250 00
Cash Market Value of all Stocks and Bonds owned by Company	56,625 00
Cash in Companies' Office and in Banks	28,272 84
Interest Due and Accrued on all Stocks and Loans	952 32
Interest Due and Accrued on Bonds and Mortgages	1,514 70
Premiums in Course of Collection	50,662 66
Due from other Companies for Re-insurance and Premiums	8,694 61
Commissions Due on other Companies' Premiums	648 20
	$328,825 48

LIABILITIES.

Losses in Process of Adjustment	$ 7,233 70
Re-insurance Reserve	86,935 45
Cash Dividends Remaining Unpaid	849 50
Commissions, Brokerage and other Charges Due and to become Due	1,145 23
	$96,163 88
Capital Stock	200,000 00
Surplus over Capital and all other Liabilities	32,661 60
	$328,825 48

INCOME.

Net Cash actually Received for Fire Premiums	$174,788 73
Received for Interest on Bonds and Mortgages	9,798 28
Received for Interest and Dividends on Stocks and Bonds	2,296 80
Received from Rents and other sources	5,554 86
	$192,438 67

EXPENDITURES.

Net Amount Paid for Fire Losses	$91,351 64
Dividends to Stockholders	12,147 00
Paid for Commissions or Brokerage	30,491 84
Paid for Salaries, Fees and other Charges for Officers, Clerks, etc	23,402 55
Paid for State, National and Local Taxes	4,253 50
All other Payments and Expenditures	18,599 14
	$180,245 67

COMPARATIVE.

Net Premium Receipts, 1880	$43,767 36
Net Premium Receipts, 1881	57,846 01
Net Premium Receipts, 1882	100,346 39
Net Premium Receipts, 1883	145,962 61
Net Premium Receipts, 1884	174,788 73

WM. P. JONES, PRESIDENT, WM. F. BLOOD, SECRETARY,

J. S. EMERY, VICE-PRES'T, L. B. EDWARDS, GEN'L AGENT.

PRINCIPAL OFFICE, COMPANY'S BUILDING.

N. W. Corner of Washington and Ninth Streets,

OAKLAND, CAL.

Newark, O.	July	$350,000
Toledo, O.	July	350,000
Greenville, Texas	August	350,000
New York	March	300,000
Allegon, Mich.	March	300,000
Chelsea, Mass.	July,	300,000
Jersey City, N. J.	August	300,000
Grenada, Miss.	August	300,000
Chattanooga, Tenn.	October	300,000
Goldsborough, N. C.	November	300,000
New York	April	275,000
Cincinnati	January	250,000
Las Vegas, N. M.	January	250,000
Toronto, Canada	January	250,000
Charlottetown, P. E. I.	February	250,000
Ellaville, Fla.	July	250,000
San Francisco	July	250,000
Neponset, Mass.	September	250,000
Williamsburg, N. Y.	December	250,000
New York,	January	225,000
White Mountains, N. H.	October	225,000
Madison, Wis.	December	225,000
New York	January	200,000
Montreal, Canada	January	200,000
Grand Rapids, Mich.	March	200,000
West Point, Ga.	April	200,000
Menomminee,	April	200,000
New York	May	200,000
Chicago	May	200,000
Englewood, N. Y.	June	200,000
St. Paul, Minn.	June	200,000
West Winchester, Can.	July	200,000
Northeast, Pa.	August	200,000
Lampasas, Texas	August	200,000
Waterloo, Ill.	August	200,000
South Chester, Pa.	September	200,000
Pittsburgh, Pa.	September	200,000
New York	October	200,000
Napoleonville, La.	November	200,000
Lock Haven, Pa.	November	200,000
Brooklyn, N. Y.	December	200,000
Racine, Wis.	December	200,000
New York	December	200,000

A Good Point—The Mutual Reserve Fund Life in Canada.

Sir Leonard Tilley, in a debate on a proposed amendment to the insurance laws of Canada, in the last Parliament, referred to assessment life insurance as follows:

"Associations of the nature described in this bill, * * * according to the opinion of our department of justice, come within the scope of our life insurance statute, and cannot therefore legally do business in Canada without a license and without making a deposit of $50,000. Whether such a system can be permanently carried on or not, it is clear that it opens the road for an immense amount of fraud; because, as the profits and charges for commissions and expenses are made on each assessment, the more numerous the deaths the greater will be the returns, and hence arises a temptation to increase the number of deaths by insuring bad lives and by other fraudulent artifices. This has been repeatedly done, as in the notorious graveyard insurances in the State of Pennsylvania and elsewhere, immense gains having accrued to the managers before the inevitable collapse came."

The Mutual Reserve Fund Life Association of New York is now transacting business in Canada without the authority of law, having taken out no license nor deposited $50,000. A local board of directors was appointed at Toronto, but a majority of them resigned immediately, after a brief investigation of the claims of that brassy hat-passer. Hon. S. C. Wood, who was to have been chairman of the board, says that they found that the association had no power to appoint a Canadian board, and that the directors were "only directors on paper and had no authority over the funds of the association." A board of more pliable material is being formed. An action similar to that brought against Angell, the California agent of the association, will probably be brought in the Dominion, and the boastful fraud driven from a country whose laws it defies.

A Philadelphia Reception to Vice President Beers, of the New York Life Ins. Co.

A reception was tendered Mr. W. H. Beers, the able Vice President of the New York Life Ins. Co., on the 15th of December, by the Pennsylvania representatives of the company, the occasion being the first visit of the distinguished gentleman to the Quaker City. The affair was a most happy one, and was made especially memorable by the presentation to Mr. Beers of applications for insurance aggregating $500,000, all of which was written within the preceeding forty-eight hours. In response to the presentation address, Mr. Beers eloquently summarized the claims and advantages of the New York Life, and among other things said:

Several years ago an Englishman wrote a book about the United States, in which he

said, that, whenever a foreigner praised anything in this country, Americans said, "Yes, sir, this is a great country." But, he continued, whenever a foreigner finds fault with anything in America, they answer in the same way—"Sir, this is a great country." So this author put upon the title page of his book, "Sir, this is a great country," and credited it to a "Chorus of Americans."

Well, after making all proper deductions for brag, I like the man whose patriotism is so strong that he believes his country

Equal to all her praises, and
Greater than all her faults.

That is the spirit which, I think, ought to animate life insurance men. Let them take for a motto—Life Insurance is a great and beneficent institution; let them study its system and its workings until they are able to convince everybody that it is

Equal to all its praises, and
Greater than all its faults.

During the last forty years life insurance companies in this country have received from policyholders about $1,300,000,000; they have returned about $950,000,000, and they have on hand about $500,000,000. Their interest earnings have paid expenses of management, and put $150,000,000 into policyholders pockets. This money has been for the most part paid by policyholders in times of plenty and received by them in times of need. About $300,000,000 of it has gone to the widows and orphans of men who have died insured. What other institution has paid so much money to so many people in times of so great need? And so I say, Life Insurance is a great beneficent institution.

And if any one says that a fraction of one per cent. has been lost by bad management, I reply that over 99 per cent has been saved by good management, which is probably a better record than any other business of equal difficulties can boast of, so that life insurance is a great and beneficent and well managed system in whatever light you look at it.

The second point for all of us to bear in mind, and enforce upon all, and against all comers, is that the New York Life is a great company.

Record of a Reputable Co-operative.

The United Brethren Society began business May 21, 1870, as a Mutual Aid Society, on the assessment plan, without capital stock. In 1877 it had 14,237 members, with $27,413,000 insurance (so-called) in force. In the last ten years it has paid out over four millions of dollars ($4,205,926) in death claims. On December 31, 1883, its outstanding insurance, on 9,662 policies, was $13,288,000, and its total net assets amounted to only $110,230,000 with $74,-539 due from members to meet unpaid death claims. The society's income in 1883 was $563,698, while its expenditures were $567,004, of which $498,700 was paid for death losses and claims. The average death-rate cost to each living member in 1883 was $34.70 per each $1,000 of insurance in force—which is three times the rate in 1874, and nearly double that of 1878. Because of this rapidly and regularly increasing average death-rate per annum, the consequent frequency of assessments, and the high cost of insurance to the survivors, the Society's membership has been reduced by nearly one-fourth in the last five years, and its outstanding insurance by more than $5,-000,000. All these facts are plainly proven to be facts by the following table, compiled from the Pennsylvania Insurance Reports in the past ten years:

Membership at end of each year.	Mean am'nt of ins'ce dur'g year.	Death claims paid.	Death rate cost per $1,000.	No. of with'l draw'ls.
1874.... 7,033	$6,373,000	$75,000	$11 80	390
1875.... 9,900	9,600,000	134,600	14 10	742
1876....12,102	13,457,000	167,000	12 40	770
1877....14,237	18,079,500	302,102	16 70	1,658
1878....13,826	21,241,500	399,168	18 90	3,270
1879....12,409	19,958,000	461,014	23 20	3,321
1880....12,684	18,755,000	473,205	25 20	1,235
1881....12,059	18,119,250	510,947	28 20	1,260
1882....10,947	16,589,250	484,190	29 20	2,205
1883.... 9,662	14,446,000	498,700	34 70	2,052

The last two columns of this table, taken together, exhibit most interestingly the result of the co-operative or assessment plan of life insurance. They also show the true cause of the early retirement and short career of all such enterprises, namely, an increasing death-rate, as the society grows older, accelerated by the inevitable increase

in the number and rate of withdrawals as the cost of insurance becomes greater than first calculated on by the members. The effect (and inevitable event) is that the healthy survivors withdraw soonest, leaving the impaired lives to pay as long as they can stand the fearfully high rate of mortality among their members and the greatly reduced amount of their own actual insurance.—*N. Y. Review.*

Adjustment of Losses.

[Extract from a paper by Charles Salter, read before the Insurance Institute of Victoria.]

Even as, I believe, at the ancient Egyptian feasts, a corpse was introduced as a reminder that even in our joys we must pay due regard to the solemnity of our mortality, so should the spectre of the Fire claim be ever present to our minds, even in the orgies of our scramble for premiums. But here, also the dominant "principle," good faith, ought to bear sway—and there ought to be good faith upon both sides. Each one of us knows from experience how far this principle is observed on the one side, and each one also knows how he himself observes it, and is answerable to his own conscience and to the reputation for commercial integrity of his company. But that there is room for improvement in the system of adjustment for fire losses, admits of no doubt, if it be once granted that the object to be gained is to ascertain and pay the actual loss sustained. How many losses are settled without investigation, or with the outward semblance alone of investigation; and how often do we hear the remark, "Oh, it's totally burned; what is the use of incurring further expense?" Well, I can only say that a total burn is by no means always a total loss, and that even if it were almost invariably so, there still remains the duty of investigation to establish the fact, for loss adjusting is by no means synonymous with a mere system of cutting down claims. It includes the establishment of just, as well as the defeat of unjust ones, and to pay a loss, however apparently just the claim be, without adequate investigation is a premium to incendiarism, for every rogue in the district will at once assume his own claim will be similarly settled. A claim, if legitimate, can be established; and it is contrary to all business principles to pay away large sums of money without sufficient evidence that they are due. It will not do to exempt the well-known man of high standing, because it is impossible to draw the line, and to exempt the one is to cast suspicion on the other from whom it is required. It is true that in the former case less laborious investigation will usually be necessary, because the claimant will be anxious himself to show that his claim is legitimate and fair, and will readily co-operate with the adjuster.

It should be needless to say that it is no part of an adjuster's duty merely to cut down the amount of the claim, but *to ascertain and arrange for a fair settlement.* To allow loss adjusting to degenerate into mere bargaining, or an attempt on the one side to obtain as much as possible from the company, and on the other to pay as little as possible to the insured, regardless of actual loss, cannot be too strongly deprecated. Of course I do not lose sight of the fact that there are sometimes cases where absolutely conclusive evidence of the amount of loss cannot be obtained, and where it is desirable that a reasonable agreement or compromise should be arrived at without going formally to arbritration; but even in such cases the settlement should be based upon investigation.

I have known several instances in these colonies when, upon the occurrence of a fire, the offices interested have agreed together to a lump payment without investigation, which the insured have accepted; this is in no sense a compromise, and I have no hesitation whatever in saying that in such cases the offices almost invariably pay more than they ought to pay. It stands to reason that such is the case, for they are bargaining in the dark with a man having all the knowledge on his own side. I am sure there are many cases where the mere fact of an adjuster being employed prevents an exaggerated claim being put in; and many others where, by judicious inquiries and the skillful use of mere frag-

ments and threads of evidence, he has been able to defeat attempted imposition.

I have heard it said that to pay less than a total loss when a building is destroyed, is a self-conviction of bad underwriting (of over-insurance) and I am not prepared to dispute the dictum; but admitting the fault, it is certainly far worse underwriting to follow it up with another, namely, careless adjustment. I look upon the employment of a competent adjuster, where one is known to exist, and the seeking out and creation of one where none is known, as an elementary duty, no less towards the honest public who ultimately pay the claims, than towards our own companies.

A fire is not a matter to be lightly treated from an economical point of view; the destruction of property involves a loss to the whole community; and the fact of there being insurance does not nullify that loss, but merely diminishes the intensity of its incidence by spreading it over a larger area.

Not Well Canvassed.

This field has not been thoroughly canvassed by the representatives of regular life insurance companies. Not even San Francisco and suburbs have received the attention that might be expected from the number of agents and solicitors with headquarters in the city. There is plenty of room for hearty, systematic work within an hour's ride of the insurance center. In that territory there are thousands of good risks that have never been approached by a life insurance solicitor. They have accummulated property or obtained liberal incomes only within recent years, or perhaps have heretofore lived in the remote interior where the solicitor seldom or never goes. There are others who have only lately been duly impressed with the advantages of life insurance, or only lately felt it to be a duty to insure, and would now accord the solicitor a very different reception from that given his predecessor in former years.

We know of business men prominently located who have not been asked to insure nor even been served with circulars or cards of companies for many years. A prominent real estate dealer in a suburban town, a man of means, has not been spoken to on the subject of life insurance for five years, yet he was ready to insure at any time and would doubtless have done so had he been solicited. Another business man had a large store on Market street for several years, and during that time was never visited by any life insurance agent, but was importuned by half a dozen men employed by fraternal insurance societies, to whom he invariably "turned a deaf ear." He finally insured his life by hunting up an agent. These are not isolated cases. There are hundreds of similar ones everywhere.

The situation is encouraging. Genuine life insurance will soon regain and surpass its old time popularity. The co-operatives have lost their grip. They have overdone the business, and been weighed in the balance and found wanting. They have made a bad record. All intelligent people know it, and are ready to accept genuine insurance of the old-timers and pay what it is worth. The year 1885 should witness a more thorough canvass of the Pacific Coast. The companies are all well established, with magnificent records behind them. They are buttressed with ample surplus and undisputed ability to perform all their contracts. They are safer than banks and offer far better inducements for the investment of savings.

Our London Letter.

LONDON, Dec. 18, 1884.

EDITOR COAST REVIEW—The matter since my last letter to you calling for special comment is the (to outsiders) sudden resignation of Mr. D. M. Lang, Fire Manager here of the Commercial Union Assurance Company, which has recently taken place. Personally Mr. Lang was a pleasant, courteous gentleman, although he had not, I believe, had *a very* long experience in insurance business. The critical times through which the Commercial Union, in common with other companies, had lately to pass, makes it a matter of no surprise that that company's fire operations during the last two or three years had not resulted in much profit. Mr. Lang is certainly entitled to the benefit

of this consideration, and carries with him in his retirement much sympathy. Let us hope that both he and the company have a bright and prosperous future before them. His successor has not yet been appointed.

By way of a little mild excitement, we have had another timber yard blaze, similar to, but not so extensive, as that which occurred in the same locality about twelve months ago. I am glad to say, however, that no one company loses to any great extent.

Arrears, after my late indisposition, prevent my giving you more than a short letter this time. I will endeavor to make up for it in January. So look out.

I have to chronicle that two more accident companies have lately published their accounts, viz., the Norwich & London and the Accident. The premiums of the former amount to £60,252, claims to £32,612, leaving, after deduction of commissions, dividends, etc., the total funds of the company at £51,780, exclusive of paid-up capital, which amounts to £100,000. The Accident company's accounts show: Premiums, £53,572; claims, £23,636 (something over 44 per cent. of the premiums, which is very favorable). The total funds, exclusive of capital, stand at £38,942, after the usual disbursements and a bonus of £3,114 to the insured.

I think Mr. Livesay, in his determination to bring the figures of all insurance companies prominently before the public, has had a considerable influence on the companies, who used to keep their accounts secret, and, as above shown, the good work is beginning to bear fruit.

The following are a few quotations from the insurance stock market, which may be of interest:

	Paid up.	Latest prices.
Commercial Union.....	£5	£16½
Fire Association.....	2	½ to ¾
Guardian.....	50	£66
Northern.....	10	£43

Very truly yours,

A LONDONER, N.

The insurance loss on Chicago risks for 1884 is estimated at $1,122,000, and the actual fire loss at $1,189,000, by the *Investigator*.

Foreign Notes.

The marine insurance of the Hamburg companies is reported to have been very profitable during 1884.

The fire insurance companies of Chili are prosperous, and pay regular dividends of from six to fifteen per cent.

Depression in the shipping interests of Great Britain was never greater than at present. Vessels can be purchased far cheaper than they can be built on the Clyde. May we expect a large increase in the number of marine disasters?

According to the German statician, Dr. Heym, of Leipzig, the capital secured by life insurance amounts to about $35,500,000 in Switzerland, $160,000,000 in Austro-Hungary, $510,000,000 in France, $530,500,000 in Germany, $2,000,000,000 in Great Britian and $6,600,000,000 in the United States. Considering the population, the sum insured is: Austro-Hungary, $4.20; Germany, $11 80; Switzerland and France, $13.40; Great Britain, $59.60; United States, $130.80.

At the sixth annual meeting of the New Zealand Fire Underwriters' Association, held at Dunedin, last November, the following sensible resolution was adopted:

Resolved, That this conference re-affirms the opinion expressed at previous meetings that offices should not contribute towards the expenses of the maintenance of, or the purchase of plant for, fire brigades.

The association will endeavor to get a fixed rule adopted among insurance offices on the matter of holidays. Twelve days are recommended, among which is "Boxing Day."

Under the new compulsory insurance system inaugurated throughout Germany, the benefits to be derived by the sick or disabled workman are gratuitous medical attendances, medicines and appliances, and after the third day a money allowance equal to half the daily wages, so long as it does

not exceed 75 cents per day, for thirteen weeks. In case of death a burial allowance will be made, amounting to twenty times the daily average wage of the locality. It is expected that the local authorities throughout the empire will give hearty co-operation to the scheme, as it may keep down pauperism.

Special and Hostile Legislation—The Local and Outside Co-operatives will Ask for Special Privileges.

The State Legislature having convened in regular biennial session, the usual "bleeding" combinations of mercenary members, with designs against life and fire insurance companies and other corporations, may be expected, if we may judge from the past. Legitimate legislation is kept in abeyance by these cinching cabals, and honorable, desirable efforts to restrain corporate greed are naturally regarded with fatal suspicion. The worst enemies of genuine anti-monopoly legislation are the many professed friends who clamorously identify themselves with the anti-monopoly movement for the blood money which they expect to wring from interests threatened with hostile legislation. Legislators of this character are readily recognized by the observing. Their favorite schemes are frequently directed against insurance interests, which they assail venomously, believing that "there is money in it," and confident that they can depend upon the support of the ignorant, of the prejudiced, and of every demagogue. These men are a reproach to reformatory movements. They bring into disrepute much proposed desirable legislation, and alienate honorable, conservative support. We hope, and have reason to believe, that the present Legislature has few or no members of such mercenary and unscrupulous character.

An effort will be made, this winter, to amend the law relating to life insurance, or to secure special legislation in behalf of one or more wildcat, co-operative life insurance associations. The Home Benefit Association has prepared a bill asking the Legislature to make it a legal corporation. The managers could not file an answer in the suit brought against the association for a violation of the insurance statutes, and therefore ask for legislation of a character forbidden by the Constitution. To enable the association to seek legislative relief, the very accommodating Attorney General granted the unprecedented period of six months in which to file answer. This is a *quasi* official admission that the association is an illegal one, and that its alleged contracts are null and void.

The Mutual Reserve Fund Life Association of New York, the Mutual Self-Endowment Association of Texas, the Great Western Mutual Aid Association of Colorado, the Hartford Life and Annuity Association, the Youth's Mutual Endowment Association, and perhaps a marriage endowment association, an Indiana graveyard insurance company, and one or two Pennsylvania and other disreputable co.operatives, have combined their forces, we understand, and will present a bill designed to remove all statute restraints to the admission and operation of wildcat life insurance enterprises.

The existing laws regulating life insurance companies are excellent. They do not exclude assessment companies nor prohibit assessment insurance, but they do require ample security of the rights and interests of the assured. These laws are objectionable only to those irresponsible associations which cannot comply with the reasonable conditions demanded, and which cannot execute insurance contracts made with members. Every effort to amend these laws will proceed from a class of speculative co-operatives which the Legislatures of the East are endeavoring to hedge about with barriers for the protection of their dupes. These co operatives, of whatever grade or pretended standing, have never favored any law tending to the security of members, nor any law subjecting such associations to the annual examinations imposed upon legitimate enterprises. They are afraid of publicity, and wherever possible, they ignore even the simplest insurance laws to which they might easily conform. This is the record they have made, and they have made it because co-operative insurance will not bear the test of investigation, and cannot

flourish if subjected to any conditions which enable members to force the execution of contracts in courts of law.

The bitter experience of the people of Pennsylvania, Ohio and Indiana, and other Eastern States, with co-operative insurance, has resulted in restrictive laws yearly growing stronger. As assessment insurance swindles continue to multiply and flourish despite the laws, it is not unlikely that in those and other States this extraordinary phase of modern credulity will finally be suppressed by prohibitory laws, on the ground that the existence of such associations, as now conducted, is contrary to public policy.

We do not believe that the California Legislature will refuse to profit by the experience of the older communities of the East with graveyard and other varieties of speculative co-operative or assessment insurance. We do not believe that the Legislature is willing to take a backward step, and throw open the doors of the State to all the experimental, humbugging, fraudulent, thieving co-operative insurance organizations which may be organized by impecunious adventurers, by pilfering rogues, or by lazy, glib-tongued ignoramuses. We do not believe that the present Legislature will amend the insurance laws and invite all hat-passing insurance swindles, that are being expelled from Ohio, Pennsylvania and New York, to come to California and prey upon her people.

The Local Agent's Influence.

The local agent should be a man of standing and influence in the community in which he lives, and disposed to exert such influence in behalf of fire insurance interests. There is more or less prejudice in the minds of many persons against fire insurance companies. It is a prejudice growing out of a profound ignorance of the experience of the companies in dealing with pig-headed, dishonest and incendiary claimants; a prejudice sustained by complete ignorance of the enormous losses incurred, of the heavy expenses borne, and of the nominal litigation of less than one per cent. of all claims. The local agent, if a man of character and ability, can easily dispel much of this prejudice and ignorance, and can impress the community with a correct idea of the relation of risks and losses to rates, of the difficulties which beset the companies in adjusting losses fairly, and in ferreting out fraud, and of that identity of interest between insured and insurer which should secure the hearty co-operation of the former in all measures and improvements designed to diminish the fire loss, and in all investigations to determine the exact loss of a claimant, or the existence of fraud.

The local agent's influence depends on his general character and the amount of business he does, which in turn depend largely on the companies. The more agents the less business for each, and the less business the more inferior the agent. Men of business ability will give little attention to an agency that pays them little or nothing. The more agents, the keener the competition among those who depend altogether or largely upon their agency for a subsistence. The keener the competition, the lower the rates.

The agents who are thus engaged in a cut-throat competition have no regard for the interests of their companies. It is commissions that they must and will have, and to get their commissions they palm off the worst risks as fairly good, if possible. If they do not misrepresent, they conceal or withhold much desirable information. They always side with the insured, are generally almost equally ignorant of the business, and do much to foster any prejudice against the companies, and to encourage complaints, and to increase the difficulties of the adjuster.

This class of local agents, who abound in all small communities, know little or nothing of the business, theory, practice or history of fire insurance, and care less for the rights and interests of the companies. There are too many of such local agents, because there are too many local agents altogether, and for this excess, and the train of evils and annoyances flowing therefrom, the companies are responsible. With fewer agents there would be a better class of agents, less competition, better rates, a better understanding on the part of the insured, and less prejudice against the companies.

Those "Other Companies."

Who steal our risks and cut our rates,
Who give our customers rebates,
Defying sense and laws and fates?
The other companies!

Who hold the agents up to taw
And at the same time break the law
To satisfy the brokers' maw?
Why, other companies!

Who write five years for fifteen cents
And in the board make loud pretense
Of foll'wing sober precedents?
Those other companies!

Who of malpractices accuse
Us innocents who business lose
Because cut rates we dare refuse?
Ha! Other companies!

Who should reform and join the board
And keep their pledges now ignored,
Whose names are doubly underscored?
Those other companies!

They don't cheat fair, the lying dogs!
They gobble business down like hogs,
Then croak like pessimistic frogs.
Those other companies!

WE never—hardly ever—cheat.
We always—almost always—meet
With child-like truth the sad deceit
Of other companies!

To do in Rome, or not to do
As do these Romans? That's the q.
Presented us; the few true blue;
By other companies!

—*Monitor.*

A Backward Glance.

Now that 1885 has begun its career, it is well to make a brief review of the year that has joined the "innumerable caravan" steadily receding into the past. In local insurance circles the prominent event was the successful inauguration of the Pacific Insurance Union, out of which has grown the scarcely less important opposition of the Home and Phœnix. The Compact Association of the Northwest extended its jurisdiction pretty well over all Oregon and Washington Territory, and local compacts under the direct auspices of the Union have been established at many important points in the California interior. Compacts were also organized in Arizona and Montana.

Underwriters unanimously agreed not to write policies on premises containing or merchandise including fireworks of any kind. Death removed Mr. C. I. Hutchinson, Mr. Louis Jacoby and Mr. John T. Toy. The Firemans Fund purchased adjoining premises and enlarged both buildings and its office quarters. The Germania and Agricultural deposited $50,000 each and entered Oregon. The Oregon Fire and Marine of Portland likewise deposited $50,000 under the retaliatory law and entered California. A successful suit was brought against the agent of the Mutual Reserve Fund Life Association for soliciting for a company not authorized to do business in the State. A similar action was brought against the Home Benefit Association.

Agency changes were made as follows:

AGENCY CHANGES— FIRE.

Allemannia, German, Pennsylvania and Boatmans of Pittsburg; Citizens of St. Louis; Farragut, Mechanics, and Metropolitan Plate Glass of New York; Fireman's of Baltimore, and London and Northwestern of England, transferred to Hutchinson & Mann.

Howard, of New York, to Oliver Hawes.

Commercial Union, of London, to C. F. Mullins.

Germania, of New York, to Gutte & Frank.

Traders, of Chicago, to Oakland Home.

Connecticut, of Hartford, to Wm. Macdonald.

Scottish Union and National to Hagan & Mansheim.

Macdonald & Hawes dissolve; Smith & Snow becomes Smith, Snow & Moody; Farnsworth & Son and E. A. Halsey go out of business; Franz Jacoby succeeds Louis Jacoby; Irwin & Toy becomes Irwin & Watson.

AGENCY CHANGES—LIFE.

Connecticut Mutual, John S. Wilkins *vice* J. B. Roberts.

Ætna Life—Alkins *vice* Dannals; Stevens *vice* Alkins.

WITHDRAWALS.

The following companies withdrew from this Coast last year:

	Location	Capital
Buffalo-German	Buffalo	$200,000
Commercial	New York	200,000
Irving	New York	200,000
Shoe & Leather	Boston	600,000
Star	New York	500,000
Lon. & Northw'n	England	300,000
Total		$2,000,000

ARRIVALS—FIRE.

The following companies entered this field during 1884:

	Location	Capital
New York Bowery,	New York	$300,000
Irving	New York	300,000
National	Hartford	1,000,000
Oregon	Portland	220,000
Germania	New Orleans	200,000
United Reinsurance Co.	England	500,000
National	Ireland	500,000
Svea	Germany	300,000
North American	Boston	200,000
Peoples	Pittsburgh	200,000
Total		$3,720,000

ARRIVALS—MARINE.

	Location	Capital
Straits	India	$400,000
Mannheim	Germany	200,000

ARRIVALS—MISCELLANEOUS.

	Location	Capital
American Steam Boiler	New York	$200,000
Hartford Steam Boiler	Hartford	250,000
American Surety Co	New York	500,000

A Co-operative Resists the Payment of Two Petty Claims.

The Great Western Mutual Aid Association, of Denver, a hat-passer doing business unlawfully in this city, was recently sued by two San Francisco members employed in a rolling mill. No reason was advanced for not paying the claims, and no opposition was made to the suit. The concern didn't have energy enough, or money enough, to put in an appearance and defend itself. Judgment being obtained, and an assessment "panning out" pretty well, the Denver managers agreed to pay the claims if the plaintiffs would pay all costs. Discovering that the association had no property in sight, the compromise was accepted. A draft for the amount, a small sum, was forwarded to the counsel of the claimants; but the banks which had formerly cashed such drafts refused to honor the draft in question, owing to trouble experienced in getting their money. The Great Western Mutual is a petty fraud, indeed. At last accounts, the painter who painted the signs for the San Francisco agency, a year or two ago, was still wearing out his patience and shoe-leather in a vain effort to get pay for his work. This is one of the co-operatives that want the law to be changed so they may lawfully humbug and cheat the people of California.

The Coast Fire Record for 1884.

The insurance losses for 1884, as reported to the COAST REVIEW, aggregate $2,269,438, or about $60,000 less than were reported for 1883. These losses were distributed as follows:

San Francisco	$373,908	
Oakland	55,185	
Sacramento	35,779	
California (three cities excepted)	761,677	
Total, California		$1,226,549
Portland	$327,763	
Oregon (P. excepted)	175,878	
Total, Oregon		503,641
Washington Territory		263,726
Nevada		79,257
Idaho		32,500
Utah		27,834
Arizona		107,000
Montana		14,358
New Mexico		2,240
Wyoming		1,383
Grand Total		$2,268,488

The losses in Oregon were excessive; with a population a trifle over one-fifth of that of California, the insurance losses have been about five-twelfths as great. The losses per inhabitant in California were about $1.25, while in Oregon they averaged $2.30.

There is a very significant relation between the dull times and business reverses in Oregon in 1884 and the excessive fire losses. There were 219 failures in Oregon, an increase of 126, there being only 93 failures during 1883. It would be decidedly interesting to know how many failures were prevented by opportune fires. There were 132 failures in Washington Territory, to 50 in 1883. No such extraordinary increase in the number of failures occurred elsewhere on the Pacific Coast.

CHARACTER OF RISKS BURNED.

We present herewith a summary of the different risks burned. These, of course, do not include those losses which are reported under the head of "general fires:"

Agricultural implements	3
Adobe stores	2
Adobe dwellings	2
Barns and stables	45
Bakery	1
Blacksmith shops	10
Blank books	1
Buildings, brick (store)	40
Buildings, frame (store)	123
Boarding-houses	5
Box factory	1
Brewery	1
Butcher shop	1
Carriages	1
Carriage shop	1
Chemical works	1
Churches	2
Cooper stock	1
Cordwood	2
Cigar factories	2
Club room	1
Depot	1
Doors and sash	1
Drug stores	2
Dwellings	259
Engine house	1
Farm machinery	2
Fixtures	1
Fishing tackle	1
Flour mills	10
Foundries	2
Furniture	131
Furniture factory	1
Furniture stores	3
General fires	48
Grain	3
Grain in field	13
Growing grain	7
Granaries	2
Hat factory	1
Hay	14
Hay stacked	2
Hay warehouses	3
Harness shop	1
Hair factory	1
Hall	1
Harvesters	3
Hop kilns	6
Hops	2
Hoisting works	1
Horses	3
Hotels, frame	8
Hotels, brick	2
Iron work	1
Lead works	1
Livery stables	3
Lodging houses	1
Lumber	2
Machinery	11
Merchandise	120
Millinery	3
Manufactory	1
Maccaroni factory	1
Oil store	1
Paints and oils	1
Paint shop	2
Planing mills	3
Printer's stock	2
Perfumery stock	1
Quartz mill	2
Regalia	1
Restaurants	4
Smelter	1
Saw-mills	4
Saloons	16
School-houses	4
Salmon cannery	3
Separators (and threshing outfits)	8
Soap factory	1
Steamboat	1
Ship chandler stores	1
Shirt factory	1
Slaughter house	1
Tailor stock	1
Tannery	4
Tobacco	1
Tools	2
Theatres	2
Threshing outfits (see separators)	
Upholstery stock	1
Vinegar and yeast factory	1
Warehouses	5
Wagon shops	2
Wagon stock	2
Wood turning shop	1
Wool	1
Winery	1
Total fires	1,014

PRINCIPAL LOSSES.

During the year there were 82 fires at which the insurance losses reached or exceeded $5,000. The principal losses were as follows:

Place.	Month.	Ins. loss.
San Francisco	August	$134,444
Portland	September	100,000
San Rafael (steamer)	February	65,000
Portland	September	52,330
New Tacoma, W. T	April	52,308
Portland, Or	August	49,000
Red Bluff, Cal	May	43,674
Roseburg, Or	August	29,179
San Francisco	March	28,600
San Francisco	February	27,916
Stockton, Cal	October	29,472
Prescott, A. T	October	26,710
San Francisco	January	25,480
San Francisco	April	25,428
Oakland, Cal	December	24,750
La Porte, Cal	August	22,657

Yakima, W. T.	April	$21,653
Mission San Jose, Cal.	July	21,478
San Francisco	December	21,400
Dalles, Or	January	21,100
Sprague, W. T.	February	20,950
Humboldt Co., Nev	November	20,000
Chico, Cal.	November	19,800
East Portland, Or.	August	19,007
Riverside, Cal.	October	17,709
Menlo Park, Cal.	November	17,700
Eureka, Nev.	September	16,403
Stanislaus Co., Cal.	July	16,200
Portland	May	15,998
Portland	May	15,675
Portland	May	15,875
Dayton, W. T.	September	15,850
Casa Grande, A. T.	April	14,963
Sunol, Cal.	December	14,712
Jacksonville, Or.	January	14,075
Modesto, Cal.	July	12,798
Red Bluff, Cal.	June	12,049
Nevada City, Cal.	June	12,250
Santa Clara, Cal.	January	11,964
Durham, Cal.	June	11,700
Moscow, Idaho	September	11,500
Renton, W. T.	October	11,400
Franclyn, Utah	December	11,000
Monroe, Or.	March	11,350
New Tacoma, W. T.	June	10,800
Oakdale, Cal.	March	10,892
San Francisco	August	10,640
Spokane Falls. W. T.	August	10,000
Petaluma, Cal.	December	10,720

Fell by the Wayside.

The following American fire insurance companies retired from business during 1884:

	Capital.
Buffalo, Buffalo, N. Y, reinsured by Phenix, Brooklyn	$200,000
Commercial Fire, New York, reinsured by Exchange Fire of New York	200,000
Delaware Fire, Wilmington, Del., reinsured by American, Philadelphia	100,000
Firemans Trust, New York, reinsured by American, Newark	150,000
Gloucester Fire, Gloucester, Mass., reinsured by Westchester, New York	100,000
Hudson, Jersey City, N. J., reinsured by U. S. Fire, New York	200,000
Irving Fire, New York, reinsured by United Fire Reinsurance Co., Eng	200,000
Mechanics & Traders, New York; risks run out	200,000
Shoe & Leather, Boston, reinsured by Niagara and Phenix	600,000
Sun Fire, Philadelphia, reinsured by United Fire Reinsurance Co	150,000
Virginia Home, Richmond, reinsured by Phœnix, London	200,000
Western. Chicago, reinsured by Fire Association, Philadelphia	200,000
Total	$2,500,000

No companies of any consequence were organized during the year, excepting the German National of Louisville, Ky., with $250,000 cash capital.

The Oakland Home Insurance Company of Oakland, Cal.

This vigorous young company steps promptly forward with the first statement for the new year, and we take pleasure in calling attention to the handsome page to be found elsewhere in this month's REVIEW, wherein the condition and progress of the company are conspicuously displayed. The results of the year's transactions show very creditable progress in every direction. A gain of $24,683 places the assets at $328,625. The net surplus more then doubled, advancing from $15,250 to $32,662. The premium receipts, in spite of wholesale cancellations in Oregon and Washington Territory, gained $28,826, aggregating $174,789.

The ratio of losses to premiums was a fraction over 52 per cent., which is notably larger than the usual experience of the company. This increase is not surprising, when we consider the extraordinary fire losses in the Pacific Northwest during the year, as well as the unusually heavy losses experienced in all sections of the Eastern States, where the Oakland Home has been doing business for the last twelve months.

During the five years of its career, the Oakland Home has shown a healthy, steady growth that is flattering to the management. The following comparative table exhibits this progress at a glance:

	Premiums.	Losses.
1880	$ 43,657	$12,167
1881	57,846	20,365
1882	100,346	38,598
1883	145,963	55,544
1884	174.789	91,351
Total	$522,711	$218,020

The average ratio of losses to premiums for the five years is 41.6 per cent.

Lieut. Greeley says that of his nineteen men who perished, all but one were smokers, and that the one exception was the last to die. Of the seven survivors every one was a non-smoker.

Cat's-paws for the Home and Phœnix.

It looks very much as though Manager Magill and his companies have cleverly made a number of Eastern companies allies, perhaps unwitting allies, in their struggle with the Pacific Insurance Union, through the medium of reinsurance. More ingeniously still, the reinsuring companies, apparently, are made to bear the brunt of the battle. Certainly, the Home and Phœnix are writing many lines at very low rates, and in all probability a large percentage of these lines is reinsured in the East. Assuming this reasonable proposition to be true, let us do a little guessing as to the possible net results of the game to the Home and Phœnix and their allies beyond the Rockies. Probably, as a result of the "immense reduction" advertisements of the San Francisco agency, many large lines of insurance come directly to the office of the Home and Phœnix, and on such no commission is paid. As the advertised rates are absurdly low, it is also fair to assume that if they are not net the brokerage does not exceed ten per cent. Two-thirds of all this low rate insurance is probably reinsured, and for it the Home and Phœnix will receive, say, twenty per cent. commission. It is obvious, then, that the reinsuring companies, in paying this commission on risks which were secured at a considerably less average commission, are lending substantial aid to the opposition to an organization that is striving to establish and preserve fair and profitable rates on the Pacific Coast. The reinsuring companies are backing the Home and Phœnix, and, worse, they are serving the latter as cat's-paws wherewith to pull the insurance chestnuts out of the very hot fire of low rates. Somebody is bound to get scorched—or badly burned, maybe.

As intimated, the reinsuring companies may not be aware that they are not only assisting the Home and Phœnix in the fight the latter are making against the Pacific Insurance Union, but in all probability are enabling the recalcitrants to make profitable, or at least safe rates on the third of the risks retained. The commissions received on the reinsured risks, added to the premiums received on the other third, may make the net rates actually received by the Home and Phœnix fairly profitable.

The suggestions embodied in the foregoing are thrown out for the benefit of the Eastern companies. Can they afford to break down the Pacific Insurance Union? Would not any suspension of rates on this Coast be very disastrous to fire insurance interests east as well as west of the Rockies?

Accumulations of Life Insurance Companies.

The advocates of co-operative insurance often refer, with an absued pretence of financial wisdom, to the immense assets of the life insurance companies as an injurious concentration of capital in cities. It is only by such concentration that the best and safest results are obtained. But it is not true that life insurance assets are concentrated in large cities. Much of the real estate and collateral security of the funds are in large cities, but the money enriches trade throughout the entire country. It builds railroads, improves land, erects substantial business structures, moves crops, and constantly flows out through the countless money channels which center in large cities. Upon this subject the *Weekly Underwriter* very sensibly says:

"Every little while we hear or read something about the accumulations of life insurance companies, and their concentration at great money centers, instead of being put in circulation in the channels of trade or loaned to the policyholders. We fear that a great deal of this kind of talk comes from a mistaken view of the laws of accumulation, and we know that much of it comes from an ignorance of the facts. We know of one life company with accumulations of nearly thirty millions, mostly loaned on real estate mortgages, and these loans average less than $1,500 each. This means that many of them are less than one thousand and that they have gone somewhere else than into the money centers. They have built houses to shelter families, they have purchased sheep and cattle and tools with which to

cultivate the soil—they have caused the wilderness to blossom as the rose. It used to be said, with some exaggeration, no doubt, that there was scarcely a farm in the State of New York which was not under mortgage to some one of the life insurance companies of that State. One hears of some loan of a large sum for public improvements or for building in our cities, and at once rushes at the conclusion that this is a type of all. A glance at the list of assets would undeceive him. But suppose it were true? What is a money center but a place for distribution of money? What is a building costing a million of dollars but so much stone and mortar, representing so much work which has been paid for and the money for which has circulated through the extremest channel and centers of trade? One might as well ask why savings banks do not lend their deposits to the depositors as to ask why life insurance companies do not lend to their policyholders. Their policyholders are depositors and not borrowers."

The California Life Insurance Laws—Protection from Wildcat Co-operatives—The Interests of Fraternal Societies Opposed to Any Change—California Should Profit by the Sad Experience of Eastern States.

For the protection of policyholders in life insurance companies the laws of this State require, among other things, that every company shall maintain a net surplus of $200,000 above all liabilities. These liabilities are based upon the rate of mortality established by the American Experience Mortality Table, and interest at four and a half per cent. In other words, the liabilities to policyholders represent the sum necessary to reinsure them in any first-class company. The sum of $200,000 in excess of such liabilities is required to place the solvency of the company beyond question, and to enable it to meet any possible emergency, as an epidemic or an extraordinary depreciation in the value of its assets. Strict laws govern the investment of the company's funds, and every reasonable precaution is taken to protect the interests of policyholders. Annual sworn statements must be made to the Insurance Commissioner, giving in detail the amount of business done, the premium and interest receipts, the losses and expenses paid, and the investment of all funds. Thus the policyholder and the public are constantly kept informed of the financial condition and progress of every company, of the expenses of management, and of the claims that have matured.

ASSETS OF FIFTEEN COMPANIES.

There are to-day operating under the California insurance laws fifteen life insurance companies, which annually distribute among the people of the State, in losses and endowments, the considerable sum of one and a half million dollars or more. The good thus done is incalculable. The names and sworn assets of these companies are as follows:

Name	Location	Assets
Pacific Mutual	San Francisco	$1,250,000
Ætna	Hartford	29,017,935
Connecticut Mutual	Hartford	52,571,101
Equitable	New York	53,030,582
Germania	New York	10,402,356
Manhattan	New York	10,871,184
Mutual Benefit	New Jersey	37,581,431
Mutual Life	New York	100,912,245
New England Mutual	Boston	16,901,943
New York Life	New York	55,203,314
Northwestern Mutual	Milwaukee	21,115,321
Travelers	Hartford	7,691,322
Union Mutual	Maine	6,229,684
United States	New York	5,268,212
Washington	New York	7,006,885
Grand total assets		$415,052,505

ASSURANCE MADE DOUBLY SURE.

The liabilities of these companies to their policyholders aggregate $343,581,094, leaving the colossal net surplus of $71,471,411 for every possible contingency. Subtracting the $3,000,000 net surplus required in the aggregate of these companies, there is left the sum of $68,471,411 in excess of the amount required by law. Putting the matter in another way, these fifteen companies could pay every dollar of liabilities to their members, or reinsure them in equally good companies, and still have left over seventy-one million dollars to be distributed among policyholders. The envious enemies of legitimate life insurance, the men who sell

spurious insurance, and perhaps a few well-meaning but ignorant men, argue that this surplus should be returned; but every business man knows that it is the great bulwark of life insurance, and the interest it steadily earns contributes to the reduction of the cost of insurance.

NOT LITIGIOUS.

It is said, and believed by many, that life insurance companies are litigious, but it has been proved, again and again, that less than one-fourth of one per cent. of all claims are resisted, and they are resisted for good cause.

A WONDERFUL SHOWING.

Twenty-eight life insurance companies, embracing nearly all the representative companies in the country, do business in the State of New York. According to the sworn reports of these companies, they have, during their lifetime, received and expended money as follows:

RECEIPTS.

From premiums	$1,171,979,830
" interest	312,067,164
Total income	$1,484,046,994

EXPENDITURES.

Paid policyholders	$837,083,843
Management expenses	175,870,207
Total disbursements	$1,012,954,050
Amount on hand	471,092,944
Aggregate funds accounted for	$1,484,046,994

MORE RETURNED THAN RECEIVED.

These figures show that the twenty-eight companies have paid to policyholders, and now hold in trust for them, $136,196,957 more than the policyholders have paid to the companies. The interest earnings of the invested assets have, in other words, paid all management expenses and accumulated to the credit of policyholders the royal sum of over 136 million dollars. This is a gain of 12 per cent. over the premium payments, and all expenses paid besides. The management expenses were less than 12 per cent. of the gross income, and not one dollar of these expenses was paid from the premiums.

HONOR TO WHOM HONOR IS DUE.

The record is a magnificent one! It is a record that is a grand credit to the honor and financial ability of the management. It is a record that demonstrates beyond cavil the Gibraltar stability of legitimate life insurance, the admirable economy with which the business is managed, and the priceless benefits it confers on suffering humanity. Any institution making such a record is entitled to the encouragement of every good citizen, and the fostering care of every honorable legislator.

CO-OPERATIVE INSURANCE.

In all times men have banded together for the distribution of relief to the afflicted, and out of this has grown, in recent years, an alleged insurance styled assessment or co-operative insurance. The pioneers in this system of relief were the various fraternal or mutual benefit societies, secret orders, etc. The sick and the widows and orphans were relieved, and finally many of these organizations added a department for the collection of a specified sum of money, or as much thereof as possible, for the beneficiaries of deceased members in good standing.

AN EXPERIMENT.

It was and is still an experiment, and has been only moderately successful. It is not insurance in the true sense of the word, for the member can have no assurance that the sum expected will be paid. Its payment depends on favorable conditions which in the nature of things cannot always be maintained; and should the contingencies fail there are no assets to fall back on, nor recourse at law. The principal condition of payment is the steady influx of new young members and the dropping out of old members; but the competition of rival co-operatives is becoming yearly so sharp that the addition of a sufficient number of new members cannot long be depended on.

TWO KINDS OF CO-OPERATIVES.

There are two classes of co-operatives, to-wit, the fraternal and mutual benefit societies and a very numerous class of speculative associations, which may be called non-fraternal co-operatives. As stated, the fraternal societies were pioneers in the experiment—if it is worthy of being called an experiment—of assessment life insurance. But they were not allowed to monopolize the

field long, for a vast host of imitators immediately sprang into existence and began a rivalry which has only lately encroached on the insurance business of the orders. The counterfeit article—the speculative or non-fraternal insurance—was

A BASE COUNTERFEIT

indeed. The non-fraternal co-operatives were and are generally the schemes of moneyless adventurers. They sprang up like mushrooms in amazing numbers, in Pennsylvania in particular, ran a brief career of fraud, and then dropped into oblivion. They repeat this record from month to month in the East still, though the number of such humbugs has considerably diminished. For a time the developments of "graveyard" insurance—the criminal insurance of the sick, the dying, the aged—were scandalous in the extreme. Much of this demoralizing, degrading speculation in the lives of the sick and the infirm is still practiced in the East, in spite of laws which prohibit it but permit speculative assessment insurance.

NOT BENEVOLENT SOCIETIES.

These non-fraternal co-operatives studiously endeavor to create the impression that they are virtually benevolent organizations, and are entitled to the same sympathetic consideration which all men give fraternal societies. It is a false pretence. Assessment associations like the Mutual Reserve Fund Life of New York, the Great Western Mutual Aid of Denver, the Mutual Self-Endowment of Texas, and the Home Benefit, the Youth's Mutual Endowment, the defunct Safety Fund and Universal Benevolent of San Francisco, were all organized for speculative purposes. They were established for the money that could be made out of them, for fat fees and commissions, for sinecure offices and plethoric salaries. They are in no sense benevolent or charitable associations. The courts have decided that they are life insurance associations, and must be subject to the laws regulating life insurance.

ORGANIZED TO MAKE MONEY.

The sworn reports of one hundred and twenty assessment associations, operating in New York, support us in the statement that these non-fraternal co-operatives are money-making speculations. Sixty of these associations were secret or fraternal societies, and sixty were speculative co-operatives. A comparison of their expense ratios is therefore a fair one. The ratio of expense of management to claims paid by the benevolent orders was 5 per cent., while the expense ratio of the non-benevolent co-operatives was over 50 per cent., or ten fold as great! The sixty non-benevolent, money-making co-operatives disbursed $1,739,537 at a cost of $872,-108, thus making the purchaser of so-called "cheap insurance" pay fifty cents for the payment to beneficiaries of every dollar of insurance. These figures are taken from the sworn statements of the officers of 120 assessment associations, made to the New York Insurance Department for the year 1883.

FRATERNAL SOCIETIES NOT INSURANCE COMPANIES.

The purely benevolent orders, such as the Ancient Order of United Workmen, the Order of Chosen Friends, the Knights of Honor, etc., are not insurance associations within the meaning of the statute. They are simply mutual benefit societies. In the trial of an officer of one of these societies for forging certificates of death, in the Superior Court of this city recently, the defendant's counsel pressed the point that the Order of Chosen Friends was an insurance association and subject to the insurance laws of the State, and that as the Order had failed to comply with the laws, it had no legal existence, and the defendant (Morrison) could not be proceeded against in a criminal action. The court refused to entertain the demurrer, holding that the society was not a speculative enterprise, but a social organization for the mutual benefit of its members.

FRATERNAL CO-OPERATIVES ALONE RELIABLE.

The insurance or relief departments of fraternal co-operatives are conducted at a nominal expense ratio, for much of the work is done by officers who receive a very small or no salary. The relief branches are a minor part of the official machinery of the order proper. The benevolent societies can alone supply cheap, reliable assessment insurance. They are conducted economically,

as we have shown; their officers are required to give security; the books and business of the society are open to the inspection of members; and there are very few opportunities for fraudulent practices.

FRAUDFUL NON-FRATERNALS.

The case is altogether different with the speculative co-operatives. Their expenses are extravagantly high, as shown above. The opportunities for fraud are practically unlimited. There is no security. There are no safeguards. The management is a star-chamber affair. The members have no voice in it, and know only so much of the record and status of the concern as the law forces the managers to make public.

It is doubtful if there are half a dozen non-fraternal co-operatives in the United States or the world that are worthy of any credit, not as insurance enterprises, but as fairly conducted experiments. There are hundreds that are bold swindlers, hundreds that are petty frauds—short-lived humbugs or rapacious impositions all. No law can so discriminate as to admit the half a dozen respectable assessment experiments and exclude the several hundred impostors. The law must invite every kind or none.

THE CONSEQUENCES.

If a law favoring non-fraternal assessment insurance should be passed, the experience of California will speedily be very similar to that of the Eastern States, where co-operative insurance has made so infamous a record that it has lost nearly all of its popularity. To give an idea of what is in store for the people of California if the Legislature should by a special Act admit non-fraternal or speculative assessment insurance associations, let us take the experience of Ohio for 1882, as shown by sworn statements made to the Insurance Department of that State.

OHIO'S EXPERIENCE.

In Ohio in 1882, under certificates that matured that year, insurance to the amount of $3,309,100 was promised, and only 17 per cent. of this amount was paid. The average amount supposed to be insured was $2,679, and each policy yielded $459.59, about one-sixth of the face of the certificate. To secure the payment of this munificent sum, $17.39 was exacted from each member, which is three times the cost of legitimate insurance to persons of medium age. The total collections were $912,476.46, and of this sum $304,934.85 was paid for expenses. As the losses paid were only $576,063.41, it follows that the disbursement of every dollar to the beneficiaries cost over fifty cents. Over 11 per cent. of the claims were resisted. The Central Ohio Company paid less than 2 per cent. of its promises, and for every dollar of losses paid, the managers appropriated $2.50. Other companies did worse. The average death rate was about 30 per thousand, or three times as great as that in legitimate life insurance companies. The record for 1883 was about as bad, and the percentage of claims resisted was greater.

THE PRESENT LAWS FAVOR BENEVOLENT SOCIETIES.

Why should speculative assessment societies be allowed to transact business in California? Any man who wants assessment insurance can get it of the fraternal societies, which furnish a better and cheaper article than their speculative co-operative rivals. The fraternal societies need all the territory they can get to make their experiment in co-operative insurance reasonably successful, and their friends in the Legislature will be serving the interests of the societies by letting the insurance laws remain as they are, and thus exclude non-fraternal co-operatives, which are the real and only rivals of the benevolent insurance associations.

You Want to be a Life Agent.

We suppose you know what life insurance is. You say you have a wife and children, and you desire work and you think you could do a good business for some sound life insurance company. "If—if—if—ahem—if—it would give me—say $75 a month to start on." You already have your own life insured—well, for how much? What! Did you say, no! What! work life insurance and never insured yourself! Want to persuade other people to do something you have never done yourself, although you need it as badly as they do. Want to preach when you are a wicked worldling!

Oh no, you cannot mean it! If you do you are too ignorant of the great mission of life insurance to expound its principles, and proclaim its advantages, to others. We think, above the blessings and benefits which the great life institutions are bestowing upon the unfortunate masses, there hangs a cloud of $75 per month, which enchants you and dims your vision to such an extent that you do not see the "silver lining." If you really desire work, honorable, enobling work, we know of no better field—none that promises better returns for faithful, zealous labor, than life insurance. But if you have never been convinced of its worth—never embraced its benefits,—do not imagine yourself qualified to influence others to accept them.—*Vindicator.*

Compact Affairs.

Manager Stillman and his deputies are progressing very satisfactorily in the special rating of the towns and cities on this Coast. Los Angeles city and county ratings have been completed, and both were placed under compact management on the 26th ult. The towns are Anaheim, Santa Anna, Downey, Passadena, San Pedro and Wilmington. Sacramento city ratings also have been completed, the city passing under compact management on the 15th of December. In San Francisco forty of the principal down-town business blocks have been rated. The rates, generally, so far made in San Francisco are a little below the old Board rates, but in excess of the average non-Board tariff during the past few years, and very much in excess of the rates now commanded by the two non-Union offices.

The compact manager finds that the merchants generally, almost universally, accept and act on suggestions made as to improvements. The ratings are accepted in the best of spirit as being just and equitable; and a welcome, sensible disposition to cooperate with the compact in reducing the danger from fire is manifested on all sides.

The Home and Phœnix and Transatlantic offices are still operating on the outside, and seemingly can not be persuaded to enter the Union. The Home and Phœnix are cutting and slashing at a perilous rate, according to very reliable accounts. Brick buildings, on which the Board rates are from $1.00 to to $1.20 per year, are being written by the Home and Phœnix at from 90 cents to $1.00 for *three* years. We are loth to believe this, but the evidence is not to be discredited. The question of the hour—and it is of vital importance—is which side will first yield. The struggle is no longer of local importance simply.

Since writing the above, a very full and interesting meeting of the Union was held on the 9th inst., and by a unanimous vote it was resolved to place the entire district under the supervision of the Union under rates immediately. This step, which is an eminently wise one, was rendered necessary by the general demoralization prevailing in the unrated districts, where a hundred or more companies are keenly competing for business without restraint. To effect this sweeping change several amendments to the constitution and by laws were required. A general rating for all districts not specially rated will be promulgated within a short time.

Proposed Insurance Legislation Relating to Local Corporations.

We understand that a number of bills have been prepared or are preparing for the amendment of several of the statutes relating to insurance. The law governing the investment of assets is so restrictive that it is frequently embarrassing. It is proposed to permit the purchase of or loans upon Territorial bonds and upon stocks or bonds of solvent corporations, except insurance and mining; and also loans upon merchandise, afloat or in warehouse. Other changes are proposed regarding the purchase of securities in States requiring special deposits.

Another bill is for the amendment of the law relating to the assessment of the capital stock of corporations of this State. It will confer upon directors of fire and marine insurance companies the right to levy such assessments as may be necessary to increase the capital stock or make up any impairment of capital, or for the purpose of cre-

ating a net surplus or reserve fund in excess of the paid-up capital.

These proposed amendments are so reasonable and necessary that any opposition is not to be anticipated.

It is rumored in insurance circles that an effort will be made to have a law passed requiring all corporations foreign to the United States to deposit $200,000 in this country before transacting business in California, also to prevent any insurance corporation from advertising in any manner more capital than actually paid up.

The present law requires all companies to publish their annual statements one week in a daily paper, but no time for such publication is specified. The Legislature will be asked to pass a law requiring a beginning of such publication within ten days after the acceptance of statement by the Insurance Commissioner.

FIRES.

The losses reported to the COAST REVIEW last year amounted to $2,268,488, or about $60,000 less than the aggregate for 1883. Adding 7¼ per cent. for unreported losses, we have the sum $2,438,624 as the amount paid in losses on the Coast during 1884. These figures, which are practically correct, indicate that the business in this field has been fairly profitable. There have been business reverses and a reign of incendiarism in the Northwest, but despite exceptional losses and wholesale cancellations in that territory, it is fair to passume that the aggregate premium receipts have increased considerably. The premium receipts from the entire Coast business will be in the neighborhood of $6,500,000, making the average loss ratio about 38 per cent., or 6 per cent. less than for 1883. Assuming this to be nearly correct, the result is as surprising as it is gratifying to all concerned. It is far better than the probable experience of companies beyond the Rockies.

The following are the monthly losses on this Coast, as reported to the COAST REVIEW, for 1884, 1883 and 1882:

	1884.	1883.	1882.
January	$146,281	$276,553	$123,815
February	211,911	119,008	53,147
March	106,975	122,838	94,593
April	$175,104	$51,665	$129,781
May	129,797	145,579	541,871
June	144,851	141,927	175,691
July	190,037	431,565	422,491
August	417,388	344,055	303,051
September	309,303	169,502	258,108
October	139,488	174,753	147,117
November	136,814	251,403	138,924
December	160,318	74,298	167,812
Totals	$2,268,488	$2,327,926	$2,556,401

The following losses were not reported in the December REVIEW:

November 29, Spokane Falls, W. T., brick building:

Liverpool & London & Globe $1,607

November 30, Portland, Or., Chinese merchandise:

Liverpool & London & Globe $230

November 30, Jackson, Or., frame barn and sheds:

Liverpool & London & Globe $300

Following are the losses for December:

December 1, Portland, Or., general merchandise:

Transatlantic $507

December 29, San Francisco, fancy goods:

California $195

December 15, Sprague, W. T., household furniture:

London & Lancashire $300

December 29, Francklyn, Utah, general merchandise and building:

London & Lancashire	$1,250
Manchester	1,250
Peoples, Pittsburgh	1,500
Allemannia	2,500
Teutonia	1,500
Fire Ins. Ass'n, London	1,500
New Orleans Ins. Ass'n	1,500
Total	$11,000

December 31, San Francisco, dwelling:

Germania $250

December 31, Napa county, Cal., dwelling and furniture:

London & Lancashire	$1,541
Manchester	1,500
Phœnix, London	3,920
Total	$6,961

December 24, San Jose, Cal., paint store:

Hamburg-Magdeburg $249

December 19, Sacramento, Cal., furniture:

New York Underwriters $250

December 8, Santa Clara county, Cal., barn:

Home Mutual $200

December 31, San Francisco, frame building:

Traders	$200
Oakland Home	200

December 20, Sacramento, Cal., frame store building and dwelling:

Liverpool & London & Globe	$600

December 17, Colfax, W. T., school-house:

Home Mutual	$2,000

December 1, Alameda county, Cal., barn and contents:

Home Mutual	$3,400

December 17, Oakland, Cal., frame building:

Manufacturers	$140

December 12, Portland, Or., printers' stock:

Oakland Home	$274

December 22, Santa Clara county, Cal., frame barn:

Liverpool & London & Globe	$300

December 10, Byron, Contra Costa county, Cal., hotel:

Royal, Norwich Union & Lancashire	$2,500
Home Mutual	1,500

December 30, Walla Walla, W. T., dwelling:

Scottish Union	$1,600

December 4, Elmira City, Cal., frame building:

Commercial Union	$247

December 29, Batavia, Cal., blacksmith shop, warehouse, etc.:

Home & Phœnix	$3,000

December 13, Mendocino county, Cal., hop kiln:

Home & Phœnix	$146

December 21, Prescott, A. T., dwelling:

Lion	$300
Orient	250
Washington	250

December 12, San Bernardino, Cal., dwelling:

Lion	$200

December 10, Mariposa, Cal., frame building:

Commercial, San Francisco	$850
Fire Association, Philadelphia	850

December 1, Chico, Cal., frame dwelling:

Firemans Fund	$2,500
North British & Mercantile	2,500
Total	$5,000

December 15, Solano county, Cal., frame building and fishing tackle:

Commercial, San Francisco	$2,100

December 16, Sutter Creek, Cal., dwelling:

Union, San Francisco	$390

December 3, Sunol, Cal., hay in warehouse:

Lion	$545
Orient	500
Washington	500
North British & Mercantile	750
Firemans Fund	500
Ætna	733
German American	1,190
Hartford	400
Pennsylvania, Philadelphia	750
British American	439
Insurance Company of North America	750
Home & Phœnix	5,700
Commercial Union	1,955
Total	$14,712

December 10, San Francisco, dwelling:

Helvetia	$200

December 15, Portland, brick building:

Royal, Norwich Union & Lancashire	$150

December 24, Helena, Montana.

Firemans Fund	$500

December 17, near San Jose, Cal., dwelling:

Oakland Home	$250

December 30, San Diego, Cal., frame dwelling:

Firemans Fund	$800

December 4, Santa Clara county, Cal., barn and contents:

Home Mutual	$1,100

December 20, Petaluma, Cal., frame store and general merchandise:

Home Mutual	$1,050

December 20, Petaluma, Cal., dwelling and furniture:

Manufacturers	$415

December 16, Dayton, W. T., furniture:

Liverpool & London & Globe	$600

December 7, Oakland, Cal., dwelling:

Hartford	$1,500

December 16, Portland, Or., furniture:

Liverpool & London & Globe	$370

December 4, Alturas, Cal., millinery;

Hartford	$700

December 8, San Jose, Cal., hay:

Washington	$300

December 20, Petaluma, Cal., flour mill:

Bowery	$475
Frie Ass'n, London	1,928
Teutonia	1,688
Germania, N. O.	1,446
Girard	1,205
Allemannia	964
United Fire Reins	964
New Orleans Ins. Ass'n	2,050
Total	$10,720

December 2, Oakland, Or., general fire:

Home & Phœnix	$2,000
Fire Ins. Ass'n, London	1,250
New Orleans Ins. Ass'n	750

December 13, Davisville, Cal., dwelling, saloon and building:

North British & Mercantile	$2,925

December 24, Sacramento county, Cal., frame building:

Phœnix, London	$1,000

December 17, Portland, Or., dwelling:

Hamburg-Bremen	$1,000

December 2, San Jose, Cal., dwelling:

Commercial, S. F.	$300

December 6, Lanoria, A. T., smelter:

Connecticut	$1,301
Lion	1,301
Orient	1,301
Washington	1,301
Total	$5,204

December 8, San Joaquin county, Cal., frame barn:

Oakland Home	$350
Hartford	300
German, Pittsburgh	200

December 4, San Francisco, furniture.

Manufacturers	$150

December 4, San Francisco, frame building:

Manufacturers	$196
Pennsylvania	82
Ins. Co. of North America	82
Prussian National	98
Providence Washington	131
Helvetia	163
Hamburg-Bremen	327
North German	250
Commercial, S. F.	150
Boston Underwriters	196
Williamsburgh City	131
California	200
Transatlantic	163
Hamburg-Magdeburg	200
Germania	230
Commercial Union	327

December 10, San Francisco, tannery:

New Hampshire	$1,312
Shoe & Leather	1,312
American Fire, Phila.	1,312
Merchants	1,312
Manufacturers	3,499
Phenix, Brooklyn	2,624
Hamburg-Magdeburg	1,312
Prussian National	874
German Freeport	1,312
Lion	1,312
Springfield	1,312
Washington	874
Bowery	847
Germania	1,312
Svea	874
Total	$21,400

December 4, San Jose, Cal., frame dwelling:

Liverpool & London & Globe	$678

December 20, Fair Oaks, Or., flour mill:

New Zealand	$1,500
State Investment	1,500

December 24, San Jose, Cal., clothing, etc.:

Ætna	$300

December 15, Mariposa, Cal., brick hotel:

Prussian National	150
Amazon	75
American Central	75

December 31, Oakland. Cal., flour mill, machinery and stock:

BUILDING.

State Investment	$191
Manufacturers	382
New Hampshire	382
Peoples	717
Allemannia	478
New Orleans Insurance Association	717
London & Northwestern	1,433

STOCK.

Manufacturers	1,500

MACHINERY.

Oakland Home	2,000
Traders	1,500
State Investment	2,100
Manufacturers	200
New Hampshire	200
Svea	1,000
St. Paul	1,000
Germania	1,000
Teutonia	1,000
Fire Insurance Association, London	2,000
New Orleans Insurance Association	1,500
Traders	2,000
Western, San Francisco	2,000
Peoples	500
Total	$23,800

December 13, Fresno, Cal., frame dwelling, furniture, etc.:

Niagara	$705
Amazon	705

December 6, San Joaquin county, Cal., threshing outfit:

American Central	$887

December 4, San Francisco, hay, grain and horses:

American Central	$500

December 7, Alameda county, Cal., frame dwelling and household furniture:

American Central	$574
Amazon	1,500
Grand total	$160,318

CHIPS.

—John B. Stetson, the Quaker City hat manufacturer, is insured for $720,000.

—A. F. Nason, superintendent of agencies of the Ætna Life Ins. Co., of Hartford, Conn., visited this city last month.

—The Knights of Honor Mutual Aid Association of Louisville, Ky., has decided to dissolve, its membership having dwindled to less than 1,000. Next!

—The Factor's and Trader's Insurance Company, of New Orleans, by a vote of the stockholders on December 22, decided to reduce its capital from $1,000,000 to $700,000.

—Hugh Craig, Pacific Coast manager of the New Zealand Ins. Co., leaves this city for New Zealand on the 17th inst. This is Mr. Craig's first visit to New Zealand since his company entered this field, a number of years ago. He will probably be absent from sixty to ninety days.

—Geo. C. Pratt has been appointed general agent of the California Ins. Co. Mr. Pratt was for many years prominently identified with the mining interests of this Coast. Two years ago he was a member of the Oakland board of education, holding that position for two years, and making a notably excellent record. Personally he is a gentleman of fine address, is popular, and a first class business man in every respect. He has the material of which capital fire insurance men are made.

—The fire department of Pueblo, Col., has disbanded.

—Col. Kinne is out with a new rule, as may be seen by reference elsewhere—on the Liverpool & London & Globe blotters.

—The front of the Home and Phœnix office in this city has been "painted red," too. And City Agent Whiting has a blooded high-stepper, which is bound to make "an immense reduction" in the speed record.

—In response to an appeal to the Governors of the several States for their co-operation in an attempt to diminish the country's fire waste, Governor Crittenden, of Missouri, was silly enough to let his private secretary write: "I am instructed by Governor Crittenden to say, in reply to your letter of the 17th inst., that while sympathizing with the object you seek to accomplish, inasmuch as Missouri is not directly interested in the matter of fires—as we have none in this State—he does not feel justified in referring to it in his message." The Governor has apparently forgotten that St. Louis is in Missouri.

—The San Francisco agency of the Union Mutual Life Insurance Co. of Maine is now domiciled in the handsomest office west of Chicago, having rented the principal office in the Stock Exchange building on Pine street. A representative of the REVIEW called to see how things looked, and after taking a lesson in life insurance, made known his errand to Manager Hawkins, and was shown around. The floor area of the Union Mutual's new quarters is about 50x30 feet. The room is divided into several apartments for private, general, and solicitors' use. The wealthy association owning the building originally designed this particular office for their own use, and therefore spared no money to make it excel every other in the country. It is finished throughout in rare and handsome wood imported from Mexico. The several wide and lofty windows are each single panes of French plate glass. One of these panes is among the largest and most perfect ever made. The location is a capital one, and it will serve to bring the claims of the company more prominently before the business community.

—The California Ins. Co. began business in Massachusetts on the 1st of January.

—The little city of New Tacoma, W. T., is to have water works. We trust they will be completed in time to do good service when the next big fire comes.

—Capt. S. M. Donnell, for several years identified with fire insurance interests at Portland, Or., has removed to San Francisco, where he will probably locate permanently. He is now in the office of the Pacific Insurance Union.

—A Milwaukee woman has sued the Northwestern National for $200, the value of her dolman burned in the shop where it had been sent for repairs. The garment was insured with other wearing apparel "contained in" her dwelling.

—Butler & Haldan, general agents of the Phœnix of London, and British America and Western of Canada, began the new year at 405 California street, in the Firemans Fund building. The new quarters, which have recently been refinished and are neat and convenient, are those formerly occupied by the Commercial Fire of San Francisco.

—Harrigan & Hart's Theatre Comique, in New York, was burned on the 23d ult., entailing a loss of $200,000. We chronicle the fact because there was no insurance. The policy ran out a few days before the fire, and its renewal was neglected. The property belonged to the A. T. Stewart estate, the managers of which were looking for cheap insurance. They got it.

—The Burlington (Iowa) Insurance Co. has brought an injunction suit to restrain Auditor Brown from compelling it to reserve from its surplus forty per cent. of the premiums on risks which the company had reinsured. The Auditor is ready to allow the actual amount paid for reinsurance, but demands a reserve of forty per cent. of the difference between the amount so paid and the premiums received on the reinsured risks. Otherwise, he says, an insolvent company can, by the purchase of reinsurance, render itself solvent, to be again rendered instantaneously insolvent by the cancellation of the policy of reinsurance at the option of the company writing it.

—The Sun Ins. Co. of this city has complied with the laws of, and is now transacting business in, twenty-five States and Territories.

—It is no wonder that co-operative insurance associations have been so plentiful in Pennsylvania. Natural gas is sold in Pittsburgh and other cities at 15 cents per thousand feet.

—"The handsomest thing out" is the Washington Life Insurance Co.'s almanac for 1885. It is liberally illustrated, and all of the engravings are remarkably good. A very great deal is said for the company, but it is said in a very little space.

—We have received several inquiries as to the Youth's Mutual Endowment Association of San Francisco. We know nothing more of it than that it is an assessment association, that its office is not at 14 Dupont street as advertised, and that its Treasurer was Secretary of the late Safety Fund Association of San Francisco and of most unsavory memory. If some one will inform us where the concern "holds forth," we will endeavor to investigate. In the meantime we are perfectly safe in saying that it is a scheme to be let alone. The managers are the only parties who will make any money out of it.

—The withdrawal of the North German from the Eastern States was the cause of a misleading press dispatch. The withdrawal had been under contemplation for about two years, and the revocation of its certificate by the New York Superintendent was merely a formal affair. Yet an agent of the associated press telegraphed the fact to all parts of the country, and many night editors of daily papers prefixed the telegram with a sensational headline. Many persons gained the impression that the company was in trouble. The North German continues its Pacific Coast department, with Walter Speyer as general agent. The policyholders of the company on this side of the Rockies are in no way affected by the withdrawal and reinsurance of the North German. The company entered the United States by way of this Coast, and did business here some time before agencies were established in the East.

—J. M. Thompson, formerly assistant manager of the compact at Denver, has been appointed manager, under Major J. L. McLeur, who is general manager.

—Pending the appointment of a successor to Mr. Lang, late general manager of the fire department of the Commercial Union Assurance Co. of London, Mr. Carswell, who visited the Coast several months ago, will assume the duties. Mr. C. is the submanager.

—The decennial number (December) of the *Investigator* of Chicago is a very handsome and useful publication of over 100 pages, of which about eighty are devoted to tabular compilations of interest to the profession. The premiums and losses by States for ten years are given of all the principal agency companies.

—During 1884 the following companies increased their capital:

Agricultural, Watertown, N. Y...	$300,000 to	$500,000
Capital City, Montgomery, Ala..	109,000 to	150,000
German Fire, Peoria, Ill.....	200,000 to	300,000
German Ins. & Sav., Quincy, Ill.	100,400 to	223,800
Peoples, Pittsburgh.....	100,000 to	200,000
Western, Pittsburgh.....	225,000 to	300,000

This is a gain of only $639,400, to offset a loss of $2,500,000 cash capital of the retired American companies.

—John Landers has received telegraphic notice of his appointment as general agent of the Glasgow & London Ins. Co. of Glasgow. His commission as agent and a statement of the company are now on their way from the head office. The Glasgow & London was established in 1881, and has a paid-up capital of about $330,000. Mr. Landers is one of the pioneer underwriters of San Francisco, having been engaged in the insurance business in this city over twenty years. He is general agent for the Coast of the Manhattan Life of New York, and was general agent of the Commercial Fire of New York, which reinsured a few weeks ago and discontinued business. The Glasgow & London enters the State very opportunely, and begins with a handsome business on the books. The Commercial reinsured in the Exchange Fire of New York, which withdrew from this State some two years ago.

—The risks of the North German on the other side of the Rockies were reinsured in the Peoples of New York.

—Some very strong anti-co-operative legislation will be urged by Commissioner Tarbox of Massachusetts.

—The COAST REVIEW for February will contain its usual statistical information pertaining to the fire, marine and life insurance transactions in this field during 1884. Orders for extra copies should be sent in early.

— There were 93 suicides in San Francisco during 1884, of whom 12 were women. In 1883 there were 75 suicides, of whom only 5 were women. The causes were: Despondency, 34; poverty, 12; dissipation, 7; ill health, 7; intemperance, 5; gambling, 4; disappointed love, 2; remorse, 1, etc.

—Judging from the amount of money disbursed in this city during the holidays, in the purchase of presents, by rich and poor, the times on this Coast cannot be "hard." The depression in business is largely owing to a needless curtailment of expenditures by the well-to-do who have been alarmed by the cry of "wolf."

—The "telegraph" editors and the managers of the associated press occasionally give some very remarkable exhibitions of ignorance. A few days ago a marriage endowment fraud was established in Boston, and a full account of its character and proposals was telegraphed all over the country. This account appeared in the San Francisco dailies and was accorded a prominent position in each case. The press agent and the "telegraph" editors all thought that it was a new scheme. Yet frauds precisely like this new Boston marriage dowry association have been organized and have swindled and failed in every large city in the Union. It is scarcely ten days since a receiver was appointed for the Universal Benevolent Association of San Francisco, a marriage endowment company corresponding with its Boston imitator in every feature. It would not be surprising if the manager of the former had started the latter. It is clear that the daily press knows a great deal about insurance.

—Col. Hawes and Gen. Howell, of the New York Life, returned from the East a few days ago.

—While a West Randolph, Vt, man was paying his premium on his policy the fire bells were ringing for a fire that destroyed the property covered by that policy.

—Messrs. J. M. Berkey & Co., of Denver, Col., have been appointed agents for the South British and National and the National of Ireland.

—The annual report of the chief of the Life Saving Service shows that the disasters to vessels within the field of station operations for the last year numbered 337. On these vessels were 4,253 persons, of whom 4,237 were saved and only 16 lost. The number of shipwrecked persons succored was 532, to whom 1,319 days relief was afforded. The estimated value of the vessels involved in these disasters was $7,075,975, and that of their cargoes $3,454,050, making the total value of the property imperiled $10,530,025. Of this amount $9,090,134 was saved, and $1,439,891 lost. The number of vessels totally lost was 64. There were 102 casualties to smaller crafts, such as sailboats, rowboats, etc., on which were 179 persons, 175 of whom were saved and 4 lost.

—From the London *Post Magazine* of December 20th we learn that at a meeting of the shareholders of the Fire Insurance Association of London, on the 19th, a resolution to reduce the capital of the company was unanimously carried. Five hundred thousand dollars of the paid-up capital was canceled, leaving the present paid-up capital $500,000. Concerning this move the *Post Magazine* says: "The Association, although it has been unfortunate in suffering from exceptional losses, in which experience it does not stand alone, has still the greater portion of its reserve of £50,000 intact, which in addition to the £100,000 now to be transferred, will form a reserve fully sufficient to provide for all liabilities, including the unearned premiums on current risks. The general prospects of fire insurance now appear, for various well known reasons, to have greatly improved, and the future of the Association may be looked forward to hopefully."

—The office of the Connecticut Mutual, on California street, has been removed to more desirable quarters on the lower floor of the same building. Manager Wilkins will not suffer the light of the company to be hidden "under a bushel."

—The annual statement of the Traders Ins. Co. of Chicago, for 1884, shows assets to the amount of $1,164,818, and a net surplus of $306,572. The Traders' statement is the first received from the East, it having been issued promptly on the 1st.

—Richard Faraday, a well-known broker in this city for the past eight years, has associated himself with Franz Jacoby's agency, and the firm name will hereafter be Franz Jacoby & Co. The Prussian National and the Providence-Washington are the companies represented.

—Enough is known of the results of last year's fire insurance transactions throughout the United States to warrant the statement that upon the whole it was a disastrous year. The fire losses were not only heavy, but the depression in the business world generally affected the premium income and depreciated the value of many of the assets held by the companies. This decline in values is admittedly temporary, but it will exhibit its ugly influence perceptibly in the annual statements of many Eastern companies, and perhaps to a limited extent in the statements of our local companies. With reviving business, values will rebound to the original point, and this restoration will be agreeably displayed in marked gains in assets in the annual statements a year hence. There is some consolation in that reflection, if its realization is twelve months off.

NOTICE.

THE NATIONAL ASSURANCE COMPANY OF IRELAND having reinsured the outstanding risks of the London and Northwestern Fire Insurance Company of Manchester, all losses occurring under their Policies, on and after Dec. 10th, 1884, must be reported to and will be adjusted by the undersigned.

H. M. NEWHALL & CO.
General Agents National Assurance Company of Ireland, 309 Sansome St., San Francisco.

— We want a few copies of the REVIEW for January and February, 1884, for which a liberal price will be paid.

—Robert P. Long, Manager of the Maryland Guarantee Life Insurance Company of Baltimore, recently pleaded guilty to using the U. S. mails with intent to defraud. Long's company is an assessment fraud. He sent out circulars falsely announcing the payment of certain policies. The books of the hat-passer also showed many fraudulent entries. It was a worse humbug than the late Safety Fund Association of San Francisco, another hat-passer.

—Suit has been brought against a Rochester hat-passer called the Co-operative Relief Association of Syracuse, N. Y. The plaintiff is the widow of a deceased member who was insured for $2,000. The assessment yielded $2,240, but the officers of the association deducted five per cent. for collecting, although the by-laws prohibit such a charge. One-sixth was also deducted for the "reserve fund." It was also claimed that as the maximum certificate is $3,000, and the insured's certificate was for only $2,000, his beneficiary should receive only two-thirds of the proceeds of the assessment, less one-sixth and five per cent., as noted. A settlement on this basis was refused.

—The groundless rumor that the Howard of New York was about to reinsure grew out of the fact that the business of the Western general agency at Toledo (Ohio) was re-insured. This agency was known as the Western branch, and included a number of States and Territories, but did not include any of the Pacific Coast States and Territories. The latter are under the management of Oliver Hawes, and are in no way affected by the aforesaid re-insurance. In referring to anything affecting the western agencies of companies, it would be well for insurance journals to be a little more specific lest the Pacific Coast agencies be confounded with "western agencies" beyond the Rockies; for many readers appear to think that western includes everything this side of the Alleghanies. The great divisions of the country should receive appropriate names.

—Handsome and tasteful calendars are those of the South British and the City of London, as got out by Messrs. Callingham & Co.

—Paul M. Nippert, for some time associated with the Travelers as special agent, is now special for the Phœnix and Home. Mr. Nippert is an active young man who is bound to succeed in his new field.

— This year's calendar of the New England Mutual Life Insurance Company is of an original and interesting design, comparing "the New England of years ago" with "the New England of to-day." In a picturesque point of view the old New England takes the premium.

—The late Secretary of the U. S. Treasury, Hon. Chas. J. Folger, carried $7,500 in the Mutual Life Insurance Company of New York, paying full annual premiums in cash. The company has paid the claim, which amounted to $9,240, there being $1,740 additions to the policy from dividend accumulations. Such men never insure in co-operatives.

— Vanderbilt's life is insured for $620,000; Jay Gould is insured for $400,000; Pierre Lorrillard, $255,000; Cyrus W. Field, $240,000; Pullman, of palace-car fame, $100,000; and many other rich men for sums ranging from $50,000 to half a million. These men know that life insurance is a good investment—safe, profitable, and a sure barrier to that evil fortune which so often reduces affluence to poverty. They observe common sense business principles, without which they never could have been successful, and ignore the claims of co-operatives.

—The Bloomington (Ill.) Mutual Life Benefit Association has been swindled out of $22,000 by a combination of "leading citizens" of Metropolis, a southern Illinois village. They formed a sort of syndicate and systematically insured old and hopelessly sick persons without their knowledge, and backed up the claims with forgeries and perjury. The members of the association paid the increasing assessments with the usual grumbling, but with the ill-founded confidence which co-operative dupes usually display in humbugs of any kind.

—Daigneau, the San Franciscan incendiary, was sentenced to ten years' imprisonment. He twice set fire to a building in which he had a stock of heavily insured goods.

—A recent fire in Minneapolis was caused by the spontaneous burning of an old, oil-soaked vest, as shown by investigation. Another spontaneous fire was caused by an oil-soaked sack.

—It transpires that the mysterious incendiary fires at Mobile, Ala., were the work of volunteer fire companies. The company throwing "first water" receives a blue ribbon, which is proudly displayed on celebration days. The rivalry for this blue badge of distinction was responsible for the incendiary fires in the vicinity of engine houses.

—As predicted by the REVIEW, the removal of the revenue tax on matches so increased the number of match factories, and correspondingly stimulated competition, that the quality of the cheaper kinds has notably deteriorated. In igniting the cheap "red-head" matches, a mischievous little spark of fire, a tiny fire brand, is separated by the friction and goes flying off, and perhaps lodges unobserved in some waste paper or inflammable stuff, there to verify the text, "Behold how great a matter a little fire kindleth." Probably many mysterious fires have been caused by these cheap red-head lucifers.

—In the recent campaign everybody was wrought up to an extraordinary pitch of partisan feeling, by the appeals to prejudice, by the gross lies, by the distorted facts, of an unprincipled press. Now that cool judgment is resuming its sway, many must regard with extreme mortification the reflected opinions they expressed, and the petty animosities that were developed, during the campaign, and confess with shame that they were the dupes of paid liars on the stump and of the press. The editors of insurance papers, we are pleased to say, resisted the natural temptation to "spit out" some biting sign of the pent-up political feeling which always likes to vent itself in sarcastic, ironical or denunciatory speech. Insurance journalists are models of wisdom and prudence.

—The Fanueil Hall Insurance Co. of Boston, which reinsured its risks four years ago, has determined to wind up for good.

—A new insurance monthly is announced. It is to be called the *National Insurance Review*, and will be printed at Washington, D. C.

—Mr. Hayden of the *Insurance Journal* of Hartford was a candidate for State Senator. The co-operatives fought him, and the result of their bitter opposition was that he ran behind the electoral ticket to the extent of three votes.

—"Those firemen must be a frivolous set," said Mrs. Spilkins, who was reading a paper. "Why so?" "I read in the paper that, after the fire was under control, the firemen played all night on the ruins. Why didn't they go home and go to bed like sensible men, instead of romping about like children?"—*Texas Siftings.*

—A Cincinnati lawyer, in an interview with a representative of the *Enquirer*, recently said of assessment insurance associations: "There are not near as many in existence to-day as two years ago, and the reason of this decrease is that the graveyard business became common in Indiana and Pennsylvania two or three years ago. Another reason why they are in disrepute in this State is that they don't begin to pay the face of their policies. For instance, a young widow came into my office not many weeks ago with two life insurance policies, each of them taken out in one of those mutual life insurance associations. She handed out one to me, saying: 'I didn't expect to get much out of that. My husband never had much confidence in that one, but I wish you would look at the records and see what it is worth.' I looked at the record and said, 'Well, madam, if you get all that this is worth to-day, you will get $45.' 'Well,' she says, 'I didn't expect much of that one, but I will be able to get along if I get the face value of the other.' She handed out a $3,000 policy, saying: 'I wish you would look that one up for me.' I examined into it and said: 'If all members pay up on that one you will get on this policy the sum of $75.'"

—The Western Insurance Company of Chicago has retired from business, owing to the unfavorable outlook in the commercial and insurance worlds.

—Up to December 1st there were twenty-one assessments in the Ancient Order of United Workmen for the year 1884. There will probably be two for December, or twenty-three in all.

—A New York drummer lately entered a store in a Delaware town to find the proprietor and clerk playing checkers, the fire out and the floor unswept for three days. "Well, how's business?" was the salutation. "Sold a paper of pins this week," was the calm reply of the proprietor, as he put a new man into the king row. "And can you stand up under such times?" "I kinder reckon. We've got a bonfire downstairs, and Bob and I are having a game of checkers to see who sets fire to it. I guess the insurance is good." Mr. Field is right when he says that ninety-five per cent. of the business failures come because of a lack of conformity to the conditions of success.—*Exchange.*

—The Sanborn Map and Publishing Company have issued a supplement to their catalogue of insurance maps. The supplement includes maps made from January 1 to December 1, 1884, during which time the company mapped 662 towns, corrected thirty volumes of maps of large cities, made entirely new two volumes of Pittsburgh, two of Detroit, one of Wilmington, Del., one of San Jose, Cal., and have four others in press. About fifty more towns were mapped during December. At this rate of progress the company will soon have maps of all the principal towns and villages of the Union. The character of the work done is highly satisfactory to the companies. The labor and expense incurred will be appreciated only by those who have done similar work. Judging from the record made during 1884, the time when the capacity of the Sanborn Map Company will be overtaxed seems very remote. Mr. C. W. Morse, the active and efficient Pacific Coast representative of the company, recently removed his office to 106 Leidesdorff street.

—The marine risks of the Shoe and Leather were reinsured in the Insurance Company of North America.

—It is said that Gen. Logan is to be tendered the Presidency of a New York life insurance company. An "enterprising" newspaper's fib, probably.

—On the subject of life insurance Henry Ward Beecher says—but just at present a great many people don't care what Mr. Beecher says. It may be as well, therefore, to print what the gentleman says, a few months later.

—Eighteen creditors of the Universal Benevolent Association of San Francisco recently petitioned the court to appoint an assignee for that insolvent concern. The amount due these creditors is about $150,000. There are several hundred more claimants whose claims will aggregate several hundred thousand dollars. This humbug, which has been denounced in the REVIEW for the past two years, was endorsed by a number of prominent business men on this Coast, and through such endorsement many poor and ignorant persons were deceived and swindled. Their unlucky experience should warn people to put no confidence in the endorsement of assessment insurance of any kind, however well known and influential the endorsers may be. An assignee was appointed, with nominal bonds, as the Universal Benevolent has no visible assets.

HARTFORD

Steam Boiler Inspection and Insurance Company.

The Pioneer Steam Boiler Insurance Co. of America
Organized 1866.

Paid Cash Capital.....$250,000
Cash Assets.....$475,000

J. M. ALLEN, President.
Gen. WM. B. FRANKLIN, Vice-Pres.
J. B. PIERCE, Secretary.

HUTCHINSON & MANN, Gen'l Agents,
Office, 306 Sansome Street.

THE TRAVELERS
Life and Accident Insurance Co.

HARTFORD, CONN.

THE PIONEER Accident Company OF AMERICA



One of the Soundest Life Companies IN THE WORLD.

Every Safe and Desirable Form of Personal Insurance.

Life or Endowment Policies, on the Low Rate Cash Plan. No dividends and no complication or disappointment.

General Accident Policies, by the year or month, written by Agents at small cost and short notice.

Registered Accident Tickets, from one to thirty days, can be found at local Agencies and Railway Stations.

Paid up Cash Capital	$600,000
Cash Assets	7,691,322
Liabilities	5,759,352
Surplus to Policy-holders	1,931,969
Cash Benefits Paid	9,612,106

A General Accident Policy Costs but Little Money, and can be had of any Agent at Short Notice.

Number of Accident Policies Written	1,022,690
Number of Accident Claims Paid	110,922

JAS. G. BATTERSON, President. **RODNEY DENNIS, Secretary.**

THOMAS BENNET,

General Agent for the Pacific Coast,

WALTER W. HASKELL, City Agent,

242 MONTGOMERY ST., Cor. Pine, San Francisco.

TABULAR STATEMENT

Pacific Coast Fire Insurance Business,

FOR THE YEAR ENDING DECEMBER 31, 1884.

NAME OF COMPANY.	LOCATION.	ASSETS.	CALIFORNIA BUSINESS.				TOTAL PACIFIC COAST BUSINESS.			
			Gross Written Risks Insurance and Annuities.	Premiums on same Risks Insurance and Annuities.	Losses Paid.	Ratio of Losses Paid to Premiums Received.	Gross Written Risks Insurance and Annuities.	Premiums on same Risks Insurance and Annuities.	Losses Paid.	Ratio of Losses Paid to Premiums Received.
CALIFORNIA BRANCHES.										
California	San Francisco	Ins. Co. of North America	$	$	$		$	$	$	
Commercial	San Francisco	Home Mutual								
Fireman's Fund	San Francisco	Western Assurance								
Home	San Francisco	Home								
Union	San Francisco	Union								
State Investment	San Francisco	State Investment								
Sun	San Francisco	Sun Insurance Office								
Union	San Francisco	Union Assurance Society								
Western	San Francisco	Western Assurance								
LOCAL.										
CALIFORNIA COMPANIES.										
Ætna	Hartford	Ætna Insurance								
Agricultural	Watertown, N.Y.	Agricultural Insurance								
Alliance	Philadelphia	Alliance Insurance								
American	Philadelphia	American Fire								
Arctic	Newark	Arctic Fire								
Atlantic Mutual	Boston	Atlantic Mutual								
Continental	Philadelphia	Continental								
Delaware	Philadelphia	Delaware Mutual								
Firemen's	Baltimore	Firemen's Insurance								
Fire Association	Philadelphia	Fire Association								
Franklin	Philadelphia	Franklin Fire								
Germania	New York	Germania Fire								
Girard	Philadelphia	Girard Fire and Marine								
Glens Falls	Glens Falls, N.Y.	Glens Falls Insurance								
Hartford	Hartford	Hartford Fire								
Home	New York	Home								
Imperial	London	Imperial Fire								
Insurance Co. of North America	Philadelphia	North America								
Insurance Company of State of Penn	Philadelphia	Penn Fire								
Liverpool, London and Globe	Liverpool	London and Globe								
Manhattan	New York	Manhattan Fire								
Manufacturers	Boston	Manufacturers								
Meriden	Meriden, N.H.	Meriden Fire								
Merchants	Newark, N.J.	Merchants								
National	Hartford	National								
Niagara	New York	Niagara Fire								
North American Fire	Manchester, N.H.	North American Fire								
Northern Assurance Co.	London	Northern Assurance								
N. Y. Insurance and the Hartford	New York	Home Insurance								
N. Y. Underwriters Agency	New York	Underwriters								
Niagara	New York	Niagara Mutual								
Northwestern National	Milwaukee	Northwestern National								
Orient	Chicago	Orient Insurance								
Pacific	Hartford	Pacific Insurance								
Peoples	New York	Peoples								
Phœnix	New York	Phœnix								
Pioneer	Philadelphia	Pioneer Fire and Marine								
Providence-Washington	Providence, R.I.	Providence-Washington								
Queen	New York	Queen								
Spring	Springfield	Springfield Fire and Marine								
Star	New York	Star								
St. Paul	St. Paul	St. Paul Fire and Marine								
Teutonia	Philadelphia	Teutonia Fire								
Traders	Chicago	Traders								
Union	Philadelphia	Union Mutual								
Westchester	New York	Westchester Fire								
Western Assurance	Toronto	Western Assurance								
FOREIGN COMPANIES.										
Boston Marine	Boston	Boston Marine								
City of London	London	City of London								
Commercial Union	London	Commercial Union								
Connecticut Fire	Hartford	Connecticut Fire								
Connecticut Mutual Life	Hartford	Connecticut Mutual Life								
Eagle Fire	London	Eagle Fire								
Hamburg-Bremen	Hamburg	Hamburg-Bremen								
Hartford Steam Boiler	Hartford	Hartford Steam Boiler								
Home, of New York	New York	Home, of New York								
Lancashire	England	Lancashire Insurance								
Liverpool and London and Globe	Liverpool	Liverpool and London and Globe								
Liverpool Underwriters	Liverpool	Liverpool Underwriters								
Manchester	England	Manchester Fire								
Mercantile Marine	Boston	Mercantile Marine								
New Zealand	Auckland	New Zealand								
North British and Mercantile	Edinburgh	North British and Mercantile								
North German Fire	Hamburg	North German Fire								
Phœnix Assurance	London	Phœnix Assurance								
Prussian National	Stettin	Prussian National								
Royal	Liverpool	Royal Insurance								
Scottish Union and National	England	Scottish Union and National								
Scottish Union and National	Edinburgh	Scottish Union and National								
Sun Fire Office	London	Sun Fire Office								
Svea	Gothenburg	Svea Fire								
Trans-Atlantic Fire	Hamburg	Trans-Atlantic Fire								
Union	New Zealand	Union Insurance								
United Fire Insurance Co.	Manchester	United Fire Insurance								
Western Assurance	Toronto	Western Assurance								
TOTAL			$937,639	$11,769,339	$4,746,310	$492,841	25	$13,207,182	$2,583,497	$1,194,190	46
Grand Totals for 1884			1,990,079	393,926,962	4,181,704	1,270,180	30	467,388,981	6,49,944	2,24,787	38.6
"	1883		1,737,461	378,429,514	4,209,637	1,546,836	36.6	367,303,642	6,82,474	2,656,044	43.8
"	1882		1,866,119	368,388,347	4,016,961	1,412,948	35.2	357,307,317	8,54,730	2,710,498	41.1
"	1881		1,764,591	352,387,416	3,821,7	1,261,020	33.5	342,410,907	4,08,437	1,750,383	35.1
"	1880		1,695,352	352,129,700	4,026,203	1,375,651	32.8	296,154,491	4,53,472	1,923,144	35.3
"	1879		1,599,941	278,964,467	4,441,004	1,310,344	32.1				
"	1878		1,701,758	278,178,911	4,730,868	941,195	20.03				
"	1877		1,867,816	257,470,440	3,928,744	1,224,784	31.17				
"	1876			235,267,872	3,701,179	1,261,344	34.06				
"	1875			248,942,981	3,981,486	1,482,655	30.50				
"	1874			244,912,826	3,316,464	1,284,950	38.74				
"	1873			240,156,604	2,946,811	811,985	27.56				
"	1872			196,196,630	1,661,936	1,307,430	78.68				
"	1871										

* Entered this field after July 1, 1884.

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COAST REVIEW.

A MONTHLY JOURNAL, DEVOTED TO FIRE, MARINE, LIFE AND ACCIDENT INSURANCE.

J. G. EDWARDS, Proprietor,

320 Sansome St., (Room 14), San Francisco, Cal.

(Take the Elevator.)

VOL. 20. FEBRUARY, 1885. No. 2.

Monthly Digest of Recent Insurance Decisions.

FIRE.

VACANCY.—The insured moved into a house she owned which had just been vacated by a tenant. Although she occupied the house, and had moved her furniture to it, she slept and took her meals at her father's house, some forty rods away. This she did because her husband was too ill to be removed from her father's. After taking the invalid to a dispensary, she took a business trip to the northern part of the State, after placing the house in charge of Mr. Shockelton, who had an interest in the property. The policy stated that the house was occupied by a tenant. The usual vacancy clause, etc., was included. The testimony showed that insured occupied the house during the day, and employed herself in house-cleaning preparatory to making it her home.

The trial judge instructed the jury that if insured goes away temporarily, with the intention of returning soon, the contract will not be vitiated thereby. In the case in question, if the insured put her household possessions in the house with the intention of living there, and then went away temporarily, the premises were not unoccupied within the meaning of the policy. The Supreme Court sustained these instructions, holding that there was no doubt that if the insured had actually begun living in the house before her departure on business the temporary absence would not have affected the policy. In contemplation of law her occupation would have been continuous. The only question was whether the fact that during the few days prior to her departure she did not sleep or take her meals in the house should make any difference. It was held that under the circumstances this fact made no difference. She had practically taken possession of the house.—*Shockelton* v. *Sun Fire Office; Mich. S. C., Nov.* 19, 1884.

RENEWALS—PREMIUMS REMITTED ON ACCOUNT BY AGENT.—Plaintiffs were agents of defendant company and also held several of its policies on their own company. Two of these policies expired, and plaintiffs were notified that until the premiums were remitted the property insured would not be held covered. Plaintiffs owed defendant £42 on account, aside from policies which had expired. Premiums for the renewals of these policies were promised, but were not paid. Finally £100 was telegraphed

"on account." A few days thereafter plaintiffs' property was destroyed by fire. Plaintiffs insisted and defendant denied that the payment of £100 operated as a renewal of the lapsed policies. It was shown in evidence that plaintiffs were asked again and again to renew, but made no answer. On remitting the £100 they said nothing about the renewal of the policy. It was therefore held that the remittance of £100, though more than enough to pay plaintiffs' indebtedness and renew the policies sued on, did not renew said policies.—*Kirkpatrick et al.*, v. *South Australian Fire Ins. Co.; South Australia S. C., Nov.* 27, 1884.

LIFE.

AGENTS' INTEREST IN RENEWAL PREMIUMS AFTER ENGAGEMENT CEASES — CONTRACT. — The company agreed to "allow and pay" Fackler & Co. 25 per cent. commission on all first premiums "collected by them" or their agents upon policies received from them, and 10 per cent. each year for four years on the subsequent or renewal premiums thereof, etc. Fackler got in arrears with the company, and the agency was terminated by the latter. Fackler made an assignment of his interest in the renewal premiums. In the original undertaking Fackler & Co. agreed to devote their time to the agency, and serve the company industriously and faithfully, and "in consideration of the faithful performance of specific duties," they were to receive the commissions. *Held*, That while it may be said that it is fair that the company should continue to pay, and that it is a hardship on the agent, after having sowed the seed with much toil, not to be permitted to pluck the fruit, when the task of plucking is comparatively easy, the answer is that where parties make a contract, they stand or fall by it, and that if the agent intends to secure to himself such a right, it is easy to say so. He might have done it by separating the various compensations or commissions provided for, and making each one a payment for some specific thing. In that case, if the contract had provided that for getting the insurance he should have twenty-five per cent. and ten per cent. commission therefor, he would have had the vested right; but as stated, that being lumped together as the sum he is to get for everything, he cannot say that he is entitled to those commissions after his agency has ceased. — *Trimble, Assignee*, v. *Conn. Mutual Life Ins. Co.; Superior Court of Cincinnati, December*, 1884.

AGENT'S CONTRACT — RENEWAL COMMISSIONS.—A life company agreed to pay its agent a commission of twenty-five per cent. on all first premiums and five per cent. for renewals. The company sold out to another company. The agent had $109.85 belonging to plaintiff company at the time of transfer. This sum he refused to pay, setting up a counter-claim for a larger amount alleged to be due as damages under the provisions of his contract. No time was fixed during which the contract was to run. Renewals were effected upon two policies obtained by defendant agent, through another agent employed by the assignee company. Suit was brought against the agent for the recovery of funds held by him. *Held*, That a fair interpretation of the contract does not warrant the assumption that it confers on the agent an absolute permanent right to proceed with renewals when he can no longer act as agent in making renewals. The commission ceases when the service ceases. Very manifestly, the scope of the agreement conferring the authority is to provide the measure of remuneration for what the agent may do while he remains such, and no further.—*North Carolina State Life Ins. Co.* v. *Williams; N. C. S. C., Oct.* 1884.

EXEMPTION FROM CREDITORS.—Where the husband takes out policies of insurance on his life payable to his wife as beneficiary, it is no fraud as against the creditors of the husband, and comes within section 2,733 of Alabama Code, though the wife had no agency in procuring the insurance, the creditors being no more injured where the husband acts for the wife than where the wife acts for herself. Statutes allowing the life of the husband to be insured for the benefit of the wife, free from the claims of his creditors, are in the nature of exemp-

tion laws, and are to be liberally construed.—*Felrath* v. *Schonfield; Ala. S. C.*

An Important Supreme Court Decision.

The following decision of the Supreme Court of this State in the case of McCormick & Delanoy *v.* The Springfield F. & M. Ins. Co. reverses the decision of Judge Sullivan of the Superior Court:

The policy of insurance on which the action was brought contains the covenants:

"If the assured is not the sole, absolute and unconditional owner of the property insured, * * * and the interest of the assured be not truly stated in the policy * * * then and in every such case this policy shall be void.

"If an application * * * is referred to in this policy * * such application * * shall be considered a part of this policy and a warranty by the assured, and if the assured, in a written or verbal application, makes any erroneous representations * * then and in every such case this policy shall be void."

The plaintiffs' application for the insurance was "on their stock of manufactured manilla paper, while contained in the round brick warehouse in the rear of their paper-mill building," etc.

The evidence showed that the insured property was the property of the "Lick Paper Company," a corporation; that the plaintiffs were stockholders of the Lick Paper Company to the extent of one-half of the capital stock, and that they held a power of attorney representing the other half; that plaintiff McCormick was President, and plaintiff Delanoy was Secretary of the corporation; that the plaintiffs were commission merchants, and sold the product of the corporation on a commission of five per cent., and that they held such product as security for advances made by them to the corporation, which advances varied from time to time, and at the time of the loss they amounted to about $20,000.

And it further appeared that the corporation at the time of the loss was solvent, and plaintiffs had other security for their advances.

On this evidence the defendant moved for a non-suit on the ground that the evidence showed "that plaintiffs were not the sole or absolute or unconditional owners of the property insured, and the nature of their interest did not appear either in their application for insurance nor in the policy itself."

The Court below erred in denying the motion for non-suit.

The most that can be claimed on the part of the respondents is, that they were stockholders in the corporation that owned the insured property, and that they were also commission merchants holding the property as security for advances.

Under neither of these aspects, nor under both of them combined, were they the "sole, absolute and unconditional owners of the property insured." Their application and the policy, however, represented them to be such owners. The contract between the appellant and respondents provided that if they were not such owners, and their interest should not be truly stated in the policy, then the policy should be void.

The Civil Code provides, Sec. 2611: "A policy may declare that a violation of specified provisions thereof shall avoid it, otherwise the breach of an immaterial provision does not avoid the policy." The same Code, Sec. 2607, provides that "a statement in policy of a mattor relating to the person or thing insured, or to the risk as a fact, is an express warranty thereof."

The policy makes the representation as to the ownership of the property a warranty. If it should be conceded that plaintiffs had an insurable interest, that fact would have no effect upon the determination of the question here presented. The statement in the application of plaintiffs that the property was "their" property, is a statement that they were the only, absolute and unconditional owners of it. (Southwick *vs.* Atlantic F. & M. Ins. Co., 133 Mass., 457; Lasker *vs.* St. Joseph F. & M. Co., 86 N. Y., 424; Mers *vs.* Franklin Ins. Co., 68 Mo., 127; Rohrback *vs.* Germania F. Ins Co., 62 N. Y., 47.)

It is contended by respondents that the defendant "waived" the warranty, or is

estopped from asserting that plaintiffs were not the only, absolute and unconditional owners of the property, by reason of facts occurring after the fire. The facts, claimed to be established by the evidence, on which respondents rely as proving such "waiver" or estoppel may be stated as follows:

On the day after the fire Mr. Easton, of Jacobs & Easton (general agents of defendant), and Mr. Fenn, their adjuster, called at the office of plaintiffs and looked over the inventory of what stock they had on hand. On the day following, the plaintiff, McCormick, gave to Fenn a memorandum of property destroyed, and assisted him in ascertaining the loss. Easton and Fenn were told the exact conditions under which plaintiffs held the paper, and that the Lick Paper Company at that time owed plaintiffs $20,000. They were told that the property was held on consignment. Fenn, who was authorized to act for J. & E., afterwards asked one of the plaintiffs to come to the office of Jacobs & Easton to be settled with. The only question in dispute, before the commencement of the action, was the amount of the loss—appellant claiming it was not bound to pay for "paper bags," but offering to pay all else, and respondents claiming that paper bags were covered by the policy. An affidavit, prepared by appellant's agents, was at their request signed and sworn to by plaintiff, McCormick, on July 11th, four days after the defendant knew the nature of plaintiffs' interest in the property, which stated: That he and his partner were stockholders in the Lick Paper Mill Company, one being its President, and the other its Secretary. That they were the agents of the company, making advances to it and receiving as security therefor the manufactured article; that the manufactured paper was stored in the company's warehouse (where the fire took place), until such time as McCormick & Delanoy could place it in the market; that such advances were made upon the report of the superintendant of said mill; that the quantity of paper was manufactured, and is contained in said warehouse, etc., (proceeding with a full statement of plaintiffs' interest in and relation to the property).

The facts above recited did not constitute an estoppel on defendant. "To constitute an estoppel there must be such conduct on the part of the insurers as would, if they were not estopped, operate as a fraud on the party who had taken, or neglected to take, some action to his own prejudice in reliance upon it. * * * Where no act has been done or left undone by the insured in reliance upon the action or non-action of the insurer there can be no estoppel." (May on Ins., 507; Security Ins. Co. *vs.* Fay, 22 Mich., 467.)

The facts above recited could not and did not induce the plaintiffs to take any action to their own prejudice. As to waiver, the policy contains an express covenant that no officer of the company defendant shall be held to have waived any of its terms and conditions, unless the waiver shall be indorsed thereon in writing.

Judgment and order reversed and cause remanded for new trial.

MCKINSTRY, J.

Filed Jan. 19, 1885.

Legal Notes.

The plaintiff took out a policy on his mill at five o'clock in the afternoon, two hours before the mill burned, but plaintiff did not know it; the property being fourteen miles away. He sued, basing his claim on the rule that all policies begin at noon the day on which they are issued. The decision was in favor of the company.

The United States Supreme Court has reversed the decision of the United States Circuit Court for the Minnesota district in the case of Drennen. Starr & Everett *v.* The London Assurance Corporation. The company refused to pay the assured, the plaintiffs, claiming they had voided the policy by taking in an additional partner. The court holds that the admission of the additional partner did not change the identity of the parties in interest. In the opinion of the Court, the conveyance of a small interest to a fourth partner does not diminish the interest of the members of the firm in preserving their property, nor increase the temptation to burn it.

In the trial of Lorenzo Dimmick, the Buffalo agent of the Union of Philadelphia and other companies, the jury failed to agree.

When an agent acting within the scope of his authority, commits a fraud, the fact that his principal is ignorant of the fraud, did not receive any profit therefrom and never ratified it, does not relieve him from liability for the fraud. So held by the Supreme Court Commission of Ohio.

In Phœnix Mutual Life *vs.* Holloway, recently tried, it was held that an agent guilty of defalcation, and for that reason discharged, has no claim on commission thereafter accruing on policies procured by him. It was also held that a general agent is liable for the defalcations of his sub-agents. Abstracts of two decisions to the same effect are given in this month's Digest.

The case of Crandall *v.* The Goodrich Transportation Co., in a Milwaukee court, was decided in favor of the defendant. This was a test case. The property destroyed caught fire from sparks from defendant company's steam vessel. In another similar case against the defendant, the Supreme Court held that defendant's liability was a question of fact for the jury, not of law for the Court. For particulars of this case, which is of interest to marine and fire underwriters, see COAST REVIEW for June, 1884, page 426, under sub-head "concurrent negligence."

To avoid being blown ashore, the master of a vessel ran her on the beach. A wrecking master, dispatched by the insurance companies, worked ten days to get the vessel off, and then abandoned the task until spring. The owners gave notice that they would abandon the craft as a total loss. In the spring the vessel was brought to Detroit, but neither party would take possession. The owners claimed a total loss, the vessel having been abandoned. The companies claimed that they were bound to use only reasonably diligent means to release the vessel. The policies were on a total loss and general average. The court held that the cost of getting the vessel off the rocks and repairing all damages was of the nature of general average losses, and that as the companies had received notice of abandonment and had failed to repair her, as was their duty, they were liable to the owners as for a total loss.

The Superior Court of California recently decided that the assignment of a policy of life insurance as collateral security for advances made by the assignee, vests the legal title to the policy in the latter. The interest of the owner of the policy extends only to what remains after such advances have been repaid, and until repayment of the advances, the assignee cannot be made to surrender the policy.

The Supreme Court of Illinois recently decided where in the employment of an agent the principal bargained for the disinterested skill, diligence and zeal for his exclusive benefit, that there rests upon one becoming an agent the duty of fidelity to an employer's interest and of acting for the furtherance and advancement of the business in which he engages, and not in its injury.

The implied warranty of validity of title imputed to one who sells a note, bond, or other chose in action will not enable the assignee of a fraudulent life insurance policy to receive on such implied warranty when he has himself been a party to the fraud or cognizant of it, according to the decision of the Supreme Court of Pennsylvania in the recently decided case of Blattenberger *v.* Holman.

The Union Mutual Life Ins. Co. v. The Chicago University.

In April, 1856, Stephen A. Douglas deeded ten acres of land in Chicago, to what is now the Baptist University of that city. The gift was made on certain conditions, which the trustees found themselves unable to comply with. Judge Douglas thereupon extended the time with the understanding and condition that the title to the land should forever remain in said University; and that the land should never be sold or alienated. The title was again forfeited to Judge Douglas, but he made still further concessions, and deeded the land outright

to the University. At different times money was borrowed of the Union Mutual Life Ins. Co., until finally the principal amounted to $150,000 in 1876. A deed of trust securing this sum and interest was executed, and a note of five years given.

The indebtedness, including interest, finally amounted to $301,251. The Union Mutual has been endeavoring to collect the note and interest since 1881, but the honest trustees of the University have untiringly fought the claim in the courts. The indebtedness was not denied, but the honorable men, the trustees, have attempted to repudiate the debt on a technicality, pleading that the mortgage was *ultra vires* the corporation. That is, that the land was deeded to the University on condition that it should never be sold or alienated. A few days ago, Judge Blodgett of the United States Circuit Court at Chicago, entered a decree in favor of the Union Mutual Life, holding that corporations, including Baptist corporations, must be honest in their dealings as well as individuals. Although an appeal may be taken, this decision virtually ends the controversy in favor of the company. Twenty thousand dollars for counsel fees was also awarded to the company.

The resistance of the Union Mutual's claim by this Baptist University, solely upon technical grounds, is as remarkable as it is discreditable. The trustees have placed themselves, and the University and their church organization, in the attitude of repudiators of just debts, and robbers of funds invested for the benefit of widows and orphans.

Self-Abnegation in Life Insurance.

Some things are certain. For instance, life insurance is a step in the direction of that abnegation of self which makes man better and nobler. So far as mankind have discerned, the citizen who loves his fellow men and curbs his own passionate love of self, rarely fails to profit, even by his unselfishness. The fine feeling which leads a man to insure his life that his family may not suffer, both in spirit and in flesh, by his taking off, or that some generous friend may have promotion when honesty and probity have been by death deprived of their office—such a feeling must develop and bear fruit in other ways which will be no less advantageous to society. All men cannot be rich or even economical. The possibility of accumulating large blocks of capital is built on the unwillingness of the masses to hoard their money. No scheme of investment other than life insurance offers to certain unsaving elements of the population the advantages which they need. In making investments poor men are not usually sufficiently impressed with the formidable dangers of interest paying. Where a man is a natural financier, the life insurance agent can have little influence, and is not needed. But it is safe to say that no leap in the dark which a poor husband can take is so universally safe as an investment in life insurance. The load of worry about the future leaves him. Since 1873 the States have, as a rule, awakened to the necessity of better protecting the citizen in this matter. It cannot be said that the present companies are not surrounded by every practicable plan of public regulation. With the general conclusions that life insurance is a good thing for all who are not financiers, that cheap things do not, as a rule, pay the best in the end, and that real policyholders are the only safe advisers, the citizen has a line of conduct open to him which cannot result in disaster. Faith in men, extreme punishment for its betrayal, and the culture of self-abnegation, are the lessons of life insurance. Let them be taught to the people.—*The Current.*

Lloyd's Policy.

[Extract from a paper by J. H. Remington, read at the general meeting of the Insurance Institute of New South Wales.]

I suppose there is not a word, scarcely a comma, in "Lloyd's Policy" which has not been argued and re-argued in English courts until each is surrounded with a custom which, like freedom, "slowly broadens down from precedent to precedent," and warns off sacrilegious hands. It is true that the explanation which its, in many cases obsolete, wording requires, has led to more than one difficulty, and the need for

occasional insertion of additional clauses points to a deficiency, but it is a standard document, and, for good or ill, has been, and still is, almost universally accepted. In fact, it crystallizes in a very few words for marine insurers the perils they undertake, and renders unnecessary, if not impertinent, any such "interpretation clause" as I have ventured to advocate for fire policies—"Perils of the Sea," "Fire," "Pirates," "Rovers," and so forth, has each distinct and well recognized meaning and limitation, while the precise difference between "Thieves" and "Assailing Thieves," for instance, or what constitutes the risk included in the words "stranded, sunk or burned," has each been the subject of pages of closely reasoned argument, and of carefully considered decisions from the most eminent jurists. I scarcely think we shall see "Lloyd's Policy" altogether abandoned. Shorn, it may be, of its quaint wording, its introductory "In the name of God, Amen," or "In case of loss, which God forbid!" or its appeal to the precedent of the "surest assurance heretofore made in Lombard Street," it will still remain a recognized authority for the insurance contract, so far as regards merchandise or similar risks.

Fire Insurance Companies and Fire Departments—A Bill Requiring Non-Resident Companies to Contribute to a Firemen's Relief Fund.

The opinion that fire departments have pecuniary claims on fire insurance companies is a popular error which it is the interest of both insuring property holders and the companies to dissipate; for it is an error that bears fruit, frequently, in the shape of special taxes or urgent appeals for aid to which the companies weakly yield. It is also an error that fosters the greater error that all kinds of tax burdens may justly and safely be imposed on insurance companies.

It would seem to be a very plain proposition, admitting of no discussion, that all of the special taxes thus imposed are actually paid by the insured, in time, in the way of higher premiums; but the fact that such burdensome and unfair taxes are levied without a protest from the insured indicates that the latter share with their representatives the common ignorance in this matter. They do not realize that these special taxes and exorbitant fees are a part of the expenses of the business which must be added to the losses and thus swell the aggregate outgo that determines the premium charges to be made by the insurance companies. If this simple proposition was generally understood, such a bill as that introduced in the Senate, last month, to provide for a firemen's relief fund, would not be seriously considered by that honorable body.

The bill in question (Senate Bill No. 20) was introduced by Mr. Dougherty. It is entitled "An act to require the payment of certain premiums to the fire departments of incorporated cities, cities and counties, and towns, by fire insurance companies not organized under the laws of the State of California, but doing business therein, and providing for the disposition of such premiums." It is proposed to exact three per cent. of the premiums derived from the business of incorporated cities with fire departments, and invest such three per cent. in relief funds for the benefit of disabled firemen. If in any way disqualified for service, whether through illness or accidents, whether the disqualification was incurred in the performance of duty or otherwise, the fireman, under this act, and his widow and children in case of death, are entitled to a liberal pension to be drawn from this bonanza fund extorted from non-resident insurance companies.

Without discussing the question whether firemen and their dependents are entitled to pensions any more than other faithful employees of towns and cities, or civil service employees generally, unless death or disqualification is directly owing to the performance of dangerous or injurious duties, let us consider that aspect of the question which demands that fire insurance companies shall pay such pensions. Will any intelligent and reasonable man, after a little reflection, contend that the companies are

under any more obligations to establish and sustain such a relief fund than are other corporations or individual enterprises? It is the business of the insurance companies to supply indemnity against loss by fire, and the cost of that indemnity depends on the danger from fire. If a community supports a good fire department, and in other ways lessens the risk from fire, the companies reduce the insurance rates accordingly. The insurance companies simply adjust premium rates to risk. There is nothing in this relation with the insuring public that involves any more obligation to contribute to the support of a fire department than rests on other corporations or on individual property holders; and certainly the insurance companies have no special duty toward the firemen or their dependents.

The bill exempts local companies from the proposed relief fund tax, but in fact they are not so exempted, for under the retaliatory laws of all the States any tax imposed by a State on other-State companies is assessed against all companies from such State. If the bill becomes a law, the California companies transacting business in other States will have to pay the same three per cent. tax in such other States. It will be seen from this that the proposed law will operate to the disadvantage of local fire insurance companies, and compel them to compete for business in Eastern cities handicapped by an additional tax of three per cent. of their premium income. The tendency of this law will be to restrict local companies to a local territory, and to discourage foreign companies from entering this field. The effect in both contingencies would be to limit the distribution of risks, instead of spreading them over as large a territory as possible, as prudence and conservative management require.

It may be worth while to add that under the retaliatory law of this State the non-resident insurance companies already pay in special taxes and fees enough to pay all the expenses of our Insurance Department. This fact will give an idea of the effect of these retaliatory laws, and of the futility and foolishness of levying special taxes against non-resident companies. The tax is virtually shared by home companies, and is ultimately paid by the insured.

For the reasons above set forth, members of the Legislature should vote against Mr. Dougherty's bill. It is an unfair measure—unfair to the fire insurance companies, both local and non resident, and especially unfair to the insured, who must foot the bills in additional premiums. Insuring property owners should protest against the bill, and all similar bills, as imposing upon them a burden which should be distributed equitably among insuring and uninsuring property owners. Mr. Dougherty's bill means that the citizen who does not insure his property, and the speculator who holds unimproved city real estate, shall not pay their share of an obligation incurred by the services of a fire department which protects the property of all, and enhances the value of every foot of ground within the city's limits. Mr. Dougherty's bill, in short, means that premium rates shall be increased three dollars per hundred.

The Steamer Pilot Case—A Decision by the Superior Court.

On the 25th of May, 1883, the boilers of the steamer *Pilot* exploded while the craft was proceeding on her regular trip between San Francisco and Petaluma. In a few minutes the vessel sank. Suit was brought by the owner, M. J. Miller, against the California Insurance Co., in Department 4 of the Superior Court of this city, to recover $3,000 insurance. The policy provided against the liability of the company for "any injury, derangement or breakage of the machinery, or bursting of the boilers, unless occasioned by stranding." The defendant demurred to the complaint on the ground that upon the facts recited therein the company was exempt from liability.

In the language of the Court, the rights of the parties to the action depend upon the interpolation of the foregoing clause, which, divested of specifications of exemption, would read: "this company is not liable for any bursting of the boilers unless occasioned by stranding." The plaintiff

Statement of the Condition and Affairs

OF THE

Sun Insurance Co.

OF

SAN FRANCISCO, CALIFORNIA,

ON THE

31st Day of December, A. D. 1884.

CAPITAL	**$300,000 00**
Amount of Capital Stock paid up in Cash	$ 300,000 00

ASSETS.

Real Estate owned by Company	$ 90,000 00
Loans on Bond and Mortgage	215,000 06
Cash Market Value of all Stocks and Bonds owned by Company	85,898 06
Cash in Banks and Office	20,092 16
Premiums in due Course of Collection, (Fire and Marine)	37,038 58
Bills Receivable, not matured, taken for Fire and Marine Risks	10,744 80
Interest, etc	6,576 70
Re-insurances	503 30
TOTAL ASSETS	$ 465,854 16

LIABILITIES.

Losses Adjusted and Unpaid Losses in Process of Adjustment or in Suspense Losses resisted including expenses	$ 13,231 00
Sundry Liabilities	2,355 42
TOTAL LIABILITIES	$ 15,586 42
Surplus for Policy Holders	**$450,267 74**

INCOME.

Net Cash actually received for Fire and Marine Premiums	219,433 73
Received for Interest on Bonds and Mortgages Rec'd for Interest and Dividends on Bonds, Stocks, Loans and from all other sources Rents	20,947 28
TOTAL INCOME	$ 240,381 01

EXPENDITURES.

Net Amount paid for Fire and Marine Losses	108,679 76
Dividends to Policy-holders	30,000 00
Paid or Allowed for Commission or Brokerage	31,837 88
Paid for Salaries, Fees and other charges for officers, clerks, &c.	25,709 37
Paid for all other Office Expenses	17,382 80
Paid for State, National and Local Taxes	1,659 62
TOTAL EXPENDITURES	$ 215,769 42
Income over Expenditures, including Dividends and Taxes	$ 24,611 59

Principal Office, 428 California Street.

C. L. TAYLOR, - - - - - - - - - *President.*

ED E. POTTER, - - - - - - - - - *Secretary.*

contended that the true meaning of that clause is that the company shall not be liable for any damages to the boilers occasioned by their bursting. The Court said: "In this I cannot agree with plaintiff. To my mind it seems clear that the fair construction of the clause is that the company shall not be liable for any *damage* occasioned by the bursting of the boilers. The complaint clearly shows that the destruction of the steamer resulted directly and immediately from the bursting of the boilers, and it does not appear that the bursting of the boilers resulted from stranding. Plaintiff's complaint, therefore, doos not state a cause of action, and the demurrer must be sustained."

It is understood that the plaintiff will appeal the case to the Supreme Court.

Tenth Annual Report of the Underwriters' Fire Patrol of San Francisco.

The directors of the Underwriters' Fire Patrol, in their annual report to members, speak approvingly of the condition and working of the Patrol during the past year, and mention with special pleasure the friendly relations between the Patrol and the Fire Department, and the efficient co-operation of the two. The members are also advised that the discipline is maintained faithfully, and that all the property is in fine working order.

Capt. Russel White, in his report to the directors, urges that every fire should be more carefully investigated, for the value of the information and to restrain those who would thereby probably be detected if guilty of arson. At present, he says, there are thousands of places in this city where danger exists from ashes in wooden boxes or barrels, stove-pipes run through wooden partitions, cellars filled with old boxes with open gratings in the sidewalk above.

Employés are allowed to enter dangerous places with open candles, and they often leave lighted candles attached to blocks of wood. To remedy this state of things a rigid system of inspection, by men clothed with authority, is recommended. During the past year the swinging harness has been adopted and metal sliding poles have been added, which save much valuable time.

During the year 1884 the Patrol received 319 alarms, and were employed in active service 211 hours and 15 minutes. Twenty-seven fires were extinguished, eleven held in check, and 1,003 covers spread. The expenses of the Patrol were $24,717.82, about a thousand less than for the previous year.

GRADES OF LOSSES.

The losses are graded as follows:

No.	Losses.	Aggregate.	Average.
113	Under $100	$3,314 63	$29 33
70	$100 to $1,000	25,403 45	362 90
35	1,000 to 10,000	136,350 93	3,895 74
3	10,000 to 20,000	46,934 10	15,644 70
2	20,000 to 30,000	50,848 23	25,424 11
2	30,000 to 40,000	70,478 39	35,238 19
1	40,000 to 50,000	43,400 00	43,400 00
1	50,000 and over—		
	Aug. 5, 17 to 23 Main st.	135,593 35	135,593 35
227		$512,323 08	$2,256 93

INSURANCE LOSSES.

The following figures show the insurance losses by months on buildings and contents separately, and on both together:

	Buildings.	Contents.	Aggregate.
January	$12,684 85	$29,790 35	$42,475 20
February	11,068 63	27,221 64	38,290 27
March	3,086 20	32,698 10	35,784 30
April	1,448 00	34,425 86	35,873 86
May	7,997 77	6,754 04	14,751 81
June	1,850 00	766 75	2,616 75
July	8,949 90	11,178 08	20,127 98
August	29,335 00	130,312 34	159,647 34
September	8,421 65	14,438 45	22,860 10
October	4,331 50	7,704 25	12,035 75
November	1,690 50	826 37	2,516 87
December	8,893 90	19,223 59	28,117 49
Total ins. loss	$99,757 90	$315,339 82	$415,097 72
Uninsured loss.	29,643 37	119,868 84	149,512 21
Total loss	$129,401 27	$435,208 66	$564,609 93

The total insurance loss in 1883 was $603,322.17, a favorable decrease of $188,224.45 to be recorded for 1884. The proportion of uninsured loss was 36 per cent., to 21 per cent. for the previous year. The REVIEW's estimate fell short 11 per cent.

CLASSIFICATION OF RISKS.

Asphaltum works	2	Box factory	1
Ash dumps	1	Cigar factories	4
Barber shops	2	Coffee and spice mills	4
Blacksmith shops	2	Church	1
Bakery	1	Canneries	2

Carpenter shop	1	Mattress factory	2
Crockery store	1	Millinery goods	1
Clothing stores	3	Nickel plate works	1
Carriage repository	2	Oil and lamp store	2
Cooper shop	1	Printing offices	3
Clay pipe factory	1	Planing mills	3
Cane factory	1	Paper house	1
Chinese wash-houses	3	Paper box factory	1
Club room	1	Paint factory	1
Chinese stores	3	Paint shops	5
Dwellings	109	Restaurants	5
Dry-goods stores	3	Smoke houses	2
Drug stores	2	Stables	6
Dray in street	1	Sash & blind factory	1
Engine house	1	Smelting works	1
Ferry house	1	Stationery stores	2
Furniture factory	1	Shoe store	1
Furniture store	1	Saloons	8
Fruit drying	1	Ship's galley	1
Glove factory	1	Store-houses	2
Glass works	3	School-house	1
Grocery stores	3	Shoddy mill	1
Hot-house	1	Sausage factory	1
Hat factories	3	Soap factory	1
Hat store	1	Shoe shops	2
Hay wharf	1	Tanneries	2
Hay barn	1	Tailor shops	3
Iron foundry	1	Tool chest	1
Iron works	2	Tent	1
Junk store	1	Vinegar factory	1
Lodging houses	26	Warehouse	1
License offices	2	Wood and coal	1
Lithograph works	1		
Machine shops	3	Total	272
Malt house	1		

The Chinese quarters were notably free from fires. Fires in dwellings decreased, in lodging houses increased, and in saloons the number was about the same as in 1883. Bakery fires declined from six to one, restaurants from eleven to five, stables from thirteen to six.

CAUSES OF FIRES.

The various causes of fires are given as follows:

Ashes (hot)	11
Burning chimneys	27
Bursting of retort	1
Boiling over of fat	3
Boiling over of glue	1
Children with candles	2
Children with matches	15
Carelessness with benzine	2
Carelessness with cigars	6
Carelessness with candles	2
Carelessness with matches	4
Carelessness with gas-torch	1
Defective chimneys	23
Defective range	5
Defective coffee roaster	4
Defective smoke house	2
Defective wool room	1
Defective stove pipe	5
Defective stove	5
Defective smoke stack	2
Defective grate	3
Defective furnace	5
Defective oven	1
Defective flue	1
Drunkenness	3
Explosion of coal oil lamp	20
Explosion of coal oil stove	2
Explosion of gas meter	2
Explosion of oil	3
Explosion of chemicals	1
Explosion of gas in stove	1
Explosion of vitriol flask	1
Electrical battery	1
Fire-works	15
Gas light	3
Incendiary	11
Overheated stove	1
Plumber's store	3
Pipe smoking	4
Spontaneous combustion	17
Spark from furnace	2
Spark from picker	1
Slacking of lime	1
Spark from electric light	2
Spark from smoke stack	3
Spark from chimney	6
Tar kettle	1
Unknown	34
Upsetting stove	1
Wood in oven	1
Total	272

Contemporary Views.

MORE NECESSARY THAN EVER.

This generation needs life insurance more than any former one, because the conditions of success have become more fixed. Industry and perseverance are always necessary to any worthy success; but the longer a country is settled the more necessary education, skill and capital become. We have no longer the virgin soil, nor cheap land, nor unexplored regions. Every door opening to wealth has been tried by a thousand hands. Wherever we go some one has been there before us. Hence the children that begin life poor in future are more likely to remain in poverty than those who had to work their own way in the past. Every one about them has a better start, and there are as many hours in a day for one as for another. If we would have our

children stand as well among their fellows, relatively, as we did among ours, we must give them a better start than we had. And none of us have found life so easy that we can afford to underrate its difficulties. Now that we are firmly in the saddle, let us see to it that no untimely ending of life for us leaves our children to begin life's work under great disadvantages.—*New York News Letter.*

KEEP UP YOUR POLICIES.

Every community can present instances in which men at one time wealthy have through ultimate misfortune lost all but their life insurance, and dying have left only the value of their policies to their families. In these, and in all cases, the money placed in genuine life insurance has been wisely invested, and a perpetuation of the policies has proved alike judicious to the insured, the best of investments to their families, and a sound, practical lesson to policyholders everywhere.—*Chicago Inter-Ocean.*

UNDERGROUND INSURANCE.

Non-resident insurance brokers seek to evade the law and their penalties, and obtain employment through circulars and letters to property owners, tendering their services to place insurance where it can be had at the lowest rates, *in companies which will pay the broker the largest compensation for his services to the assured*—in companies which are not authorized to do business in the State, which had no local representative, and no local business or reputation to lose, and whose policies may be void by omission of facts in the application material to the risk, or which may become void by change in the title or in the risk, without the knowledge or consent of the company or any legal representative; in companies which have no more supervision over their business than our laws have over such companies, whose policies must be sent to the home office for every endorsement desired, and whose promised indemnity may be lost by the occurrence of a fire while the policy is thus in transit, when the claimant is left—to get service on a distant corporation under a contract made in defiance of law. Those who patronize such companies and such methods find them cheap until they have a loss. Speculative insurance, conducted without reference to the lessons of experience, and those who have engaged in it, either as principals or agents, have always come to grief; and their patrons learn in time to seek the best informed underwriters and the best indemnity to be found.—*W. F. Ross.*

USEFUL MOTTOES.

Instead of bewailing the annual fire loss and calling upon government to come over and help us, let us get up and help ourselves and our neighbors. If we cannot do any better let us make a new use of illuminated texts and mottoes, instead of hanging in our entrance halls "God bless our home," let us hang over the kitchen stove as a perpetual warning to the cook, "Prepare to meet your God, before you light the fire with kerosene." Let us put over our match safes, "How great a fire a little matter kindleth." Instead of "Faith, hope and charity," with their insignia, let us put "Look out for fire," and ornament the borders with hose and fire buckets. It will be time enough to ask the congress to help us when we have exhausted our own resources without avail and not until then. *Weekly Underwriter.*

LIFE INSURANCE VINDICATED.

Life insurance in this country seems to have vindicated the claims made of late years by its friends and managers to being upon a permanently sound and satisfactory basis. It is no particular secret that the last two years have been exceptionally severe and unfavorable to almost every line of business, yet to life insurance they have been years of even more than ordinary prosperity. This one interest has been steadfastly successful, and stands quite alone in having not a single failure to record among the regular companies. It is perhaps not saying too much to assert that this was no more than was expected, and that disaster had no right ever to be anticipated from properly founded and discreetly conducted life insurance organizations. But that such is actually the case in seasons when their are failures in every other line of business makes the exception all the

more striking and interesting to the devotees of life insurance. The regular companies will nearly all show a large increase in business and more or less appreciation in the bulk of their assets for the year just closed, and all of them look for continued success during 1885. That men intuitively turn to life insurance for aid in securing the welfare of their families in times of general trade depression, appears to thus be conclusively established. This of itself would account for the unbroken prosperity of that great interest straight through so long a season of business uncertainty and stagnation to the country at large.—*Cincinnati Gazette.*

THE BROKER.

The bad feature about the brokerage system is that the companies pay the broker for assisting the parties that want the insurance to impose a bad risk upon them and risks generally at reduced rates.—*Price Current.*

THE WAY TO GET LOW RATES.

It is not the necessity of paying higher rates of premium the public requires to be educated in, but the extreme folly that makes high rates a requisite for safe insurance. If the people can be taught how to obtain low rates by improvement in the physical and moral hazard of their risks, the business of insurance will prosper, and the people will be satisfied.—*Rough Notes.*

The Firemans Fund Insurance Company of San Francisco.

The attention of the reader is directed to the twenty-second annual statement of this representative California company, which we print elsewhere in this number of the REVIEW. The Firemans Fund closes the year with over a million and a half of assets and a net surplus of $268,332, a gain of $28,962 in surplus and $47,869 in assets. This is a very creditable showing, especially so when the generally bad character of 1884, from any point of view, is taken into consideration. The business of the company in this field increased considerably, and the loss ratios for the State and Coast at large show marked reductions. The experience east of the Rockies was a proportionate share in the average loss ratios of that badly scorched larger half of the Union. The total net premium income for the year was $755,504.12, of which $564,533.22 was from the fire business and $190,970.90 from the marine. Of the total net premium receipts 55 per cent. was absorbed by losses. The marine loss ratio was 47.4 per cent.

The assets aggregate $1,520,894.77, and a glance at the detailed statement of the investment of this sum, as made to the stockholders, shows the cautious, discriminating judgment of the financial management.

The net result of the year's transactions, after paying $90,000 in dividends as usual, and all losses, expenses and taxes, is the handsome balance of $61,951. The management and stockholders are to be congratulated on this result, for the large business transacted by the company in the fire-swept East might easily have produced less satisfactory results.

We may add, by way of postscript, that during the twenty-two years' existence of the Firemans Fund it has received $9,747,390.95 in premiums and disbursed $5,734,272 in losses.

The Massachusetts Insurance Commissioner Urges Anti-Co-Operative Legislation.

Many speculative co-operative insurance associations, of the character of the Home Benefit of this city, or the Mutual Reserve Fund Life Association of New York, have been doing business in Massachusetts in violation of the laws of that commonwealth. Commisssoner Tarbox recently addressed a communication to Attorney-General Sherman on this subject, asking for an official opinion.

THE ATTORNEY GENERAL'S OPINION.

Among other things, the Attorney-General said that no person can be deemed a member of such associations who does not in some way share in the management. Persons whose only relation to the corporation is one of contract, can hardly be considered "members." Benefits are not assignable

under the statute, and beneficiaries must be relatives.

THE COMMISSIONER'S ADDRESS.

In view of the many efforts being made by the combined non-fraternal assessment insurance companies to secure the passage of laws in this State favoring the unrestricted operations of hat-passers of all grades and kinds, Commissioner Tarbox's address to the Massachusetts Legislature has a local interest just at present. In this address he writes as follows:

FRATERNAL SOCIETIES.

There are associations organized under the statute and acting within its authority and spirit, and as to such no new legislation is advised. They may safely be left to their self-government, as the plan of their operation is simple and easily within intelligent control, and their affairs are already sufficiently supervised by the system of their organization, by which the entire body of their membership are brought into familiar relations with all their transactions. They hold no considerable funds so liable to misuse by unfaithful trustees as to call for special protective laws. Of these are a majority, if not all, of the Odd Fellows and Masonic bodies, composed of affiliates of these orders; the associates of particular guilds and professions; and several fraternal societies governed by the lodge system, and in which the membership is, in a degree, select.

NON-FRATERNAL SOCIETIES.

But, upon the falsely pretended authority of the statute, various associations have organized in corporate form with the object of pecuniary profit to their projectors and operators, and are now engaged in the transaction of life insurance business, in violation of the laws. And it is in relation to these and their transactions, if they shall be permitted to continue their operations, and to the plan which is generally the basis of their establishment, that prudential legislation is imperative. For, if life insurance on what is known as the assessment plan is to have sanction, it should be in amity with the law, and under such safeguards as the law can devise to prevent abuses in its administration, and to secure to the public its full benefits. The truth is, that life insurance as a business speculation, is lawlessly in operation in Massachusetts by the abuse of a gracious statute, and, in cases within my information, with methods which, if not immoral, as I deem them, are surely calculated to do injustice and disappoint the expectation of those who confide in it, and which public policy in shape of law should denounce and prohibit.

A GAMBLING DEVICE.

Of apparently illegal acts by these corporations, among others, I specify:

First, Club insurance, by which the death benefit due on the decease of a member of the club is payable by the corporation to his widow and to the survivors of his club in fixed proportions. This is clearly illegal, but is defended by some as proper in itself, aside from defect of legal warrant. I cannot esteem it as other than a gambling device, thinly disguised as insurance, deserving the perpetual ban of the law.

SPECULATIVE ASSESSMENT INSURANCE.

Second, Contracts of insurance with persons not members of the corporation, though styled such, and for the benefit of persons not the widow, orphan or other relative or dependent, or having an insurable interest in the life of the member or insured person. These transactions are principally by corporations composed of a few corporators who incur no personal liability, and invest no funds, but anticipate liberal profits from revenues collected from the insured persons, for the application of which they are not responsible. The insured have no part or power of control in the corporation, the management of its concerns, or the administration of its funds. And the contingency is quite conceivable when the interests of the corporation and the interests of the insured may conflict; as the corporators may, if the longer existence of the corporation ceases to be advantageous to them, divide its revenues among themselves, and permit the association to die and the insured be remediless.

LATE SURVIVORS THE LOSERS.

Life insurance by the assessment method, which is simply the payment of death ben-

efits to the beneficiaries of deceased associates by means of contributions from the survivors, must obviously depend for its permanence upon conditions which legislation cannot provide for. Such an association, if well based and conducted, may furnish a reliable insurance, at the cheapest cost, so long as it shall attract new associates in sufficient numbers, and retain them. When it ceases to replenish its membership it must soon dissolve, for its ability to pay benefits diminishes with diminishing membership, and no adequate provision is made for the beneficiaries of its late survivors. While the law is powerless to assure the public of the permanence of institutions so founded, it may do much to protect the public against absurd and dishonest schemes.

SPECULATIVE ASSESSMENT INSURANCE DENOUNCED.

Corporations for the transaction of life assessment insurance should be on the mutual principle, with each insured person a mutual and equal member, and under the same form of government as now provided by law for mutual life companies. Human life is not to be gambled with for the profit of individuals; nor is the business of life insurance, or those engaged in it, to be regarded and legislated upon in all respects as in ordinary commerce. Life insurance is an institution, rather than a commercial enterprise.

GRADED ASSESSMENTS.

That the assessments for the death benefit, or insurance-paying fund, shall be proportioned to the relative expectancy of life of the several members in accordance with mortality experience, is an essential condition, properly to be enforced by law. This object may be attained by provision for assessments graduated year by year in proportion to the increase in death probabilities as the age of the member advances, or by a level assessment, fixed by the age of entrance; the proportion, in either event, to be determined by computations familiar to the mathematics of life insurance.

FACILITY FOR FRAUDS.

The facility for incorporation, afforded by the present statute, is an open door to corrupt and irresponsible schemes by dishonest adventurers, legally unassailable, and yet actual frauds upon the public. Some effective provisions should be made to assure good faith and a measure of responsibility in the formation of these corporations before they are granted the seal of the commonwealth to conjure the confidence of the people with. Also, I advise a statute provision to the effect that if these associations exceed their powers as construed by the Attorney-General in his opinion, they shall forfeit their charters, and their responsible managers be liable to the penalties for illegal insurance.

SUPERVISING THE CO-OPERATIVES.

The measure of supervisory authority over these corporations and their affairs, to be given the insurance department, deserves care. The fact of any supervision is liable to be mistaken for an official endorsement of the merits of the institution and its ability to perform its promises, and may be employed to mislead the public. A nominal supervision that shall furnish credit to the association, and yet be practically ineffective for the supposed purpose, has seemed to me the desire of some. "Is it a safe company to insure in?" is the common query put to the Commissioner. No supervision can justify an assurance to that effect, except as the law itself in its faithful execution assures safety. Supervision means simply the enforcement of the laws. If the law does not enforce conditions of integrity upon a corporation, the executive officer cannot compel such conditions or enjoin it for neglect, since the freedom of the corporation within the limitations of the law is absolute. If the law be ineffective, supervision, which is the law's servant, must be ineffective also. I ask, therefore, of the legislature, should it confer on the department a jurisdiction over these bodies, that it fix the limits of such jurisdiction in a clearly understood manner and prescribe the conditions of legally ascertained soundness for the rule of official action, as is now done in the case of other insurance institutions.

Australian underwriters are about adopting a uniform wording for hull policies.

Tabular Statement of the Pacific Coast Marine Insurance Business for the Year Ending December 31, 1884.

NAME OF COMPANY.	LOCATION.	SECRETARIES OR AGENTS.	AMOUNT WRITTEN.	PREMIUMS. ON SAME.	LOSSES PAID.	RATIO OF LOSSES TO PREMIUMS
LOCAL COMPANIES.						
California	San Francisco	W. H. C. Fowler	$2,216,042	$60.445 88	$19,409 52	32.1
Commercial	San Francisco	C. A. Laton	925,247	23,582 71	19,507 96	82.7
Firemens Fund	San Francisco	Wm. J. Dutton	5,889,919	126,944 17	37,905 38	29.1
Sun	San Francisco	Ed. E. Potter	2,606,388	59,903 24	28,293 42	47.2
Union	San Francisco	James D. Bailey	10,074,149	96,059 81	39,469 00	41.1
Total			$21,711,745	$366,935 81	$144,585 28	39.4
EASTERN AND FOREIGN COMPANIES.						
Alliance Marine	London	Parrott & Co.	$2,770,340	$25,589 14	$3,168 35	12.4
British and Foreign Marine	Liverpool	Balfour, Guthrie & Co	6,467,064	93,519 59	43,835 00	46.9
Boston Marine	Boston	Capt. J. R. Knowles	572,766	7,615 67		
Canton	Hong Kong	Parrott & Co.	4,846,250	44,267 29	6,870 47	15.1
China Traders	Hong Kong	Williams, Dimond & Co	1,879,630	8,616 35		
Chinese	Hong Kong	Wm. T. Coleman	2,101,689	12,115 41	7,975 07	65.8
Commercial Union	London	C. F. Mullins	3,030,126	32,848 32	12,731 95	38.5
Danube	Vienna	C. Bertheau	366,360	3,077 70	1,317 76	42.8
Fonciere	Paris	Hutchinson & Mann	1,959,953	19,293 30	5,461 82	28.3
Globe Marine	London	Wm. T. Coleman	215,199	2,626 62	189 24	7.2
Great Western	New York	Everard Steele	4,926,312	91,377 22	64,124 53	70.2
Insurance Co. of North America	Philadelphia	W. J. Dutton	1,124,839	28,264 47	9,589 18	33.9
International Marine	Liverpool	Donaldson & Co	512,114	7,420 00		
London Assurance	London	Parrott & Co	2,770,340	25,589 14	3,168 35	12.4
London & Provincial Marine	London	Hutchinson & Mann	446,658	7,280 70		
Magdeburg General	Magdeburg	Gutte & Frank	1,447,125	11,024 40	3,620 75	32.8
Mannheim	Mannheim	Geo. Marcus & Co	5,250	128 25		
Man On	Hong Kong	Tuck Chong & Co	1,994,911	11,505 10		
Maritime	Liverpool	E. L. Woods	654,365	12,227 05	1,599 23	13.1
National Marine	London	Gutte & Frank	573,114	5,276 65		
New Orleans Insurance Association	New Orleans	Hutchinson & Mann	609,563	7,161 30	2,350 20	32.8
New Zealand	Auckland	Hugh Craig	3,600,374	30,133 85	4,895 66	16.3
North China	Shanghai	Macondray & Co	5,273,797	30,180 64	3,662 00	12.1
On Tai	Hong Kong	Lai Hing Lung & Co	826,155	4,634 10		
Providence Washington	Providence	W. J. Dutton	1,060,567	25,257 13	12,164 11	48.1
Reliance Marine	Liverpool	Henry Lund & Co	417,759	8,857 41	1,458 90	16.5
St. Paul	St. Paul	Hutchinson & Mann	321,825	2,196 80	2,418 15	111.4
Sea	Liverpool	Meyer, Wilson & Co	1,558,047	32,382 34	1,825 00	5.6
South British and the National	New Zealand	W. J. Callingham & Co	1,742,944	57,604 10	26,139 50	45.0
Standard Marine	Liverpool	W. J. Callingham & Co	77,925	1.447 83		
Straits	Singapore	Geo. Marcus & Co	345,375	5,442 91		
Swiss Marine Combined	Switzerland	H. W. Syz	15,622,123	74,884 92	22,595 14	30.2
Thames and Mersey	Liverpool	W. G. Harrison	11,408,307	159,449 00	17,256 00	10.9
The Marine	London	G. W. McNear	2,142,738	44,877 70	37,355 37	83.2
Transatlantic Marine	Berlin	Thannhauser & Co	6,540,512	46,607 41	15,289 89	32.8
Union F. & M.	Christchurch	Hopkins & Bromwell	588,806	19,409 99	5,057 38	26.1
Union Ins. Society	Hong Kong	Page Bros	2,425,586	25,874 65	50 00	.02
Union Marine	Liverpool	E. L. Woods	629,365	11,682 98	1,606 48	13.8
Universal Marine	London	W. B. Chapman	1,926,520	7,563 33		
Yangtsze	Shanghai	Macondray & Co	1,793,306	20,890 63	5,012 00	23.9
Total			$97,575,999	$1,066,201 39	$322,817 48	30.3
Grand Total 1884			$119,287,744	$1,433,137 20	$467,402 76	32.5
Grand Total 1883			$115,275,933	$1,587,349 90	$966,784 00	60.9

Table Showing the Life Insurance Business Transacted in California in 1884 by Companies Authorized to do Business in this State.

NAME.	LOCATION.	NEW POLICIES WRITTEN.			POLICIES RENEWED.			POLICIES IN FORCE DECEMBER 31, 1884.		Losses and Endowments Paid.
		Number.	Amount.	Premium.	Number.	Amount.	Premium.	Number.	Amount.	
Pacific Mutual Life	San Francisco	268	$684,760 00	$37,794 24	1,721	$4,481,053 00	$184,025 14	1,985	$5,152,313 00	$91,448 00
Ætna Life	Hartford	5	5,000 00	352 90	242	684,669 00	26,270 83	473	925,464 00	24,262 00
Brooklyn Life	New York				37	127,650 00	3,751 59	135	503,283 00	14,000 00
Connecticut Mutual Life	Hartford	11	36,000 00	834 56	521	2,564,600 00	80,360 79	888	3,312,765 00	104,287 00
Equitable Life	New York	244	1,057,500 00	46,149 72	992	4,861,200 00	198,218 70	1,450	6,385,499 00	215,739 78
Germania Life	New York	32	149,500 00	7,761 31	2,083	2,800,601 00	72,392 14	2,204	3,454,300 22	164,567 44
Manhattan Life	New York	70	206,620 00	7,656 20	473	1,639,206 00	39,656 17	513	1,845,826 00	88,546 78
Mutual Benefit Life	Newark	104	416,500 00	17,234 46	321	1,329,900 00	53,501 79	456	2,080,790 00	44,166 67
Mutual Life	New York	334	980,530 00	48,372 37	2,435	9,367,835 00	338,445 85	3,729	12,313,426 00	414,938 60
New England Mutual Life	Boston	193	625,000 00	27,478 32	790	2,231,000 00	89,639 67	1,243	3,433,355 00	90,259 47
New York Life	New York	74	312,000 00	16,889 57	695	3,230,000 00	124,311 18	1,265	4,520,000 00	59,278 27
Northwestern Mutual Life	Milwaukee	104	382,250 00	20,338 20	247	745,000 00	31,108 98	518	1,388,471 00	42,140 00
Travelers'	Hartford	59	150,000 00	4,267 12	130	337,994 00	14,237 80	193	504,900 00	
Union Mutual Life	Portland, Me.	14	37,500 00	1,626 69	231	678,500 00	18,638 66	245	716,000 00	18,431 39
United States Life	New York	5	32,500 00	942 74	56	108,515 00	3,051 60	61	141,015 00	
Washington Life	New York	24	85,000 00	2,986 22	100	208,550 00	7,253 74	124	293,550 00	7,208 02
Charter Oak Life	Hartford				84	212,830 00	7,570 98	319	573,373 00	28,606 84
Phœnix Mutual Life	Hartford				188	380,372 00	10,710 00	188	380,372 00	17,460 00
Totals		1,552	$5,200,660 00	$240,684 62	11,386	$35,989,475 00	$1,307,986 54	16,069	$47,924,702 22	$1,426,340 26

Table Showing the California Business of Accident, Fidelity, Steam Boiler, and Plate Glass Insurance Companies for the Year Ending December 31, 1884.

NAME.	LOCATION.	NEW POLICIES WRITTEN.			POLICIES RENEWED.			POLICIES IN FORCE DECEMBER 31, 1884.		LOSSES PAID.
		Number.	Amount.	Premium.	Number.	Amount.	Premiums.	Number.	Amount.	
Accident Ins. Co. North Am.	Montreal	614	$1,520,300 00	$11,571 05	225	$654,500 00	$4,556 30	781	$2,003,800 00	$5,448 12
*Fidelity and Casualty	New York	707	2,120,650 00	15,515 60	291	875,700 00	7,162 95	840	2,520,450 00	8,689 70
Travelers	Hartford	3,029	8,483,750 00	35,037 15	2,514	7,384,500 00	50,616 26	2,837	8,594,250 00	30,457 15
American Steam Boiler	New York		37,000 00	702 50						
Hartford Steam Boiler	Hartford	9	41,000 00	516 25				9	41,000 00	
Metropolitan Plate Glass	New York	53	26,876 00	1,127 34	67		2,800 45	118	90,774 00	997 50
Total		4,412	$12,229,576 00	$64,471 89	3,097	$8,914,700 00	$65,135 96	4,585	$13,250,274 00	$45,592 47

*Pacific Coast business.

STATEMENT OF THE CONDITION AND AFFAIRS

OF THE

HOME MUTUAL

INSURANCE COMPANY OF SAN FRANCISCO, CAL.

ON THE

31st DAY OF DECEMBER, A. D. 1884.

Amount of Capital Stock paid up in Cash	$	300,000 00
Amount of Capital Stock Authorized		300,000 00

ASSETS.

Real Estate owned by Company	$	69,525 00
Loans on Bond and Mortgage		279,387 15
Cash Market Value of all Stocks and Bonds owned by Company		123,427 57
Amount of Loans secured by pledge of Bonds, Stocks and other marketable securities as Collateral		108,750 00
Cash in Company's Office		1,043 32
Cash in Banks		178,851 53
Interest due and accrued on all Stocks and Loans		1,105 65
Interest due and accrued on Bonds and Mortgages		3,761 66
Premiums in due Course of Collection		60,651 24
Cash in hands of Agents, reporting to the Western Department, Chicago		30,155 10
TOTAL ASSETS	$	856,658 22

LIABILITIES.

Losses Adjusted and Unpaid	$	14,830 45
Losses in process of Adjus ment or in Suspense		7,500 00
Losses resisted including expenses		5,565 82
Gross premiums on Fire Risks running one year or less, $350,330 05; re-insurance fifty per cent		175,165 02
Gross premiums on Fire Risks running more than one year, $177,004 22; re-insurance pro rata		99,992 05
Cash Dividends remaining unpaid		1,679 00
Due and accrued for Salaries, rent, etc		1,119 27
TOTAL LIABILITIES	$	305,851 61

INCOME.

Net Cash actually received for Fire Premiums	$	445,649 16
Received for interest and dividends on Bonds, Stocks, Loans and from all other sources		35,421 57
Rents		3,546 00
TOTAL INCOME	$	484,616 73

EXPENDITURES.

Net amount paid for Fire Losses, including $4,,707 07 losses of previous years	$	140,242 46
Dividends to Stockholders		36,000 00
Paid or allowed for Commission or Brokerage		115,844 69
Paid for Salaries, Fees and other charges for officers, clerks, etc		37,698 21
Paid for State, National and Local Taxes		6,880 68
All other Payments and Expenditures		50,767 60
TOTAL EXPENDITURES	$	387,433 64

J. F. HOUGHTON ..... President

J. L. N. SHEPARD ..... Vice-President

CHAS. R. STORY ..... Secretary

R. H. MAGILL ..... General Agent

PRINCIPAL OFFICE, 216 SANSOME ST., S. F.

Proposed Insurance Legislation in Colorado.

A bill prohibiting insurance companies from removing cases to Federal courts and from fixing board or compact rates, and a bill establishing a fund for the benefit of aged and disabled firemen, have been introduced in the lower house of the Colorado Legislature.

House Bill No. 26 provides that no license shall be granted to a non-resident company until it has filed with the Insurance Superintendent an agreement not to remove to a Federal court any suit brought by a citizen of Colorado. Section 23 provides that no insurance company doing business in the State, in case it is sued by a policyholder or his representatives, shall be permitted to defend such suit on the ground that the policy is not obligatory, by reason of anything contained therein or in the application, unless the company shall, within sixty days after proofs of loss are made, tender to the assured or his representatives the full amount of premiums received from the assured, together with ten per cent. interest. In other words, the companies must provide dishonest claimants with money for attorney's fees. Section 12 contains a valued policy provision.

House Bill No. 53 proposes that it shall be unlawful for companies to maintain any board or manager that shall fix rates of insurance to be used in common, under penalty of a fine of from $500 to $1,000. The manager of such organization is to be liable to the same fine, and in default of the payment thereof be imprisoned in the penitentiary one year. Section 2 of this extraordinarily absurd bill requires quarterly reports from all non-resident life and fire insurance companies and five per cent. of the gross receipts from all business transacted in the State during the preceding quarter.

The unconscionable tax thus extorted from both life and fire insurance companies is to be used in the establishment of a fireman's relief fund, to "reward" and relieve aged, infirm and injured firemen. The author of the bill has advanced one step ahead of his fellows, inasmuch as he thinks that at least one other class of corporations besides fire insurance companies may as properly be required to contribute to the establishment of a fireman's relief fund. We are puzzled to know why he pitched on life insurance companies in preference to banks, railroads, mining or other corporations, or why he did not include all instead of singling out one class besides the fire insurance companies.

It is scarcely necessary to discuss these bills seriously. If either should pass, the Colorado Legislature would proclaim itself an unparalleled association of brainless donkeys. The companies affected would at once withdraw, leaving the people of Colorado to go without insurance until they elected a Legislature with brains enough to go in out of the rain.

The Sun Insurance Company of San Francisco.

This enterprising and deserving young company increased its net premium income about 26 per cent. last year. The aggregate net premium receipts were $219,444, an increase of $46,422. While the business of the Sun on the Pacific Coast increased considerably, the greater part of the gain was derived from the Eastern business of the company. The heavy increase in reinsurance reserve necessitated by the growth of the business is exhibited in a reduction of the net surplus.

In common with nearly all companies, the Sun's losses on its Eastern business were large, pushing the loss ratio on its total business pretty close to 50 per cent, although the loss ratio in this field was less than the average, and lower than for 1883.

The assets of the company gained about $20,000, and on the 1st of January amounted to nearly half a million dollars.

The most interesting feature of the Sun's annual statement, from a stockholder's point of view, is that relating to dividends, which were paid to the amount of $30,000. After paying these dividends, and all losses and expenses and every expenditure chargeable to Insurance Departments, the year's business yielded a net profit of 16.7 per cent.,

which is the largest percentage of profit of any of the California companies. It will thus be seen that the annual statement, which we print elsewhere, averages well with other companies, despite the malign influence of the Eastern business.

Portland Correspondence.

PORTLAND, Or., Jan. 25, 1885.

EDITOR COAST REVIEW—In some respects the year opens out well for us, for up to present writing we have no city losses to report. True, our volume of premiums will show a falling off as compared with the business of '84, but I do not think "ye head offices" will growl at that, providing we keep the losses well down. The country, as usual, has not treated us quite as kindly, although no heavy fires have occurred. Fires have taken place at Oregon City, Sprague, Tacoma and some minor points.

This country business, I tell you, sir, is a precarious one. During these hard times the utmost caution should be used; companies cannot be too particular in this respect. The bottom has fallen, or is about to fall out, in many of these interior towns, and a word to the wise ought to be sufficient. It will be too late when the final grand crash comes. Although prospects may be very encouraging and large premiums very tempting, still my advice is to go slow, and before enlarging wait until the good times are actually on hand.

Some cranks go around with long faces, saying that Portland is played out, doomed, and will never be much of a town again. This, of course, is too utterly ridiculous and hardly worth refuting. Our city is too well established to have any fear of going under; we are simply going through the same experience that many other towns are in the United States, or, in fact, throughout the whole world.

The wise men of Webfootland are assembled at Salem and are busy grinding out laws by the bushel. Some of the measures introduced are positively startling, and it is a relief to know that we have a level-headed Governor (a former insurance agent, by the way) who, no doubt, will not hesitate to use his veto power, as usual. Some of these wonderful solons reason about this way: Times are hard, money is scarce, insurance the people must and will have, insurance companies are rich, good fellows to pluck, so let us pick them; or, in other words, let us make them shell out. One fellow would tax us $750.00 per year for the privilege very likely of paying out more than we take in. The latter has been our experience for several years past. Another great lawmaker wants to wring in that ridiculous valued policy bill.

What fools these fellows are! I would like to ask them what they expect to gain, even if they should get any of these obnoxious measures through. Let them pass the $750.00 license law and we will simply transfer the tax to the assured, as we did the present outrageous stamp duty. Let them have valued policies, and we will no doubt either give them a chance to insure themselves or else patronize their heavy $50,000 local companies. We handle too much money in this section to stand any bulldozing.

Before finishing this topic I would say that I am strongly in favor of not paying a cent for blackmail; we have millions for legitimate losses but nothing for tribute. Mr. Geo. L. Story is one of the members, and he will no doubt do all in his power to protect our interests.

The Board of Trade, not liking the present City Charter, have drawn up a new one which they intend trying to put through both houses at Salem. Among other things they want to abolish the Fire Commissioners and their Secretary and make the Chief do all the work with the assistance of his first aid, the former to get $2,000 and the latter $500 annual salary. I hardly see the sense in this, for the Commissioners get no pay and there is most decidedly plenty of work for a competent secretary. The present Commissioners are all old firemen, have serve the city faithfully, taking great interest in improving the Department, and Secretary Eppinger has undoubtedly done his duty well and with care. The City Council, desiring to

have a finger in the pie, have also revised the Charter, without, however, interfering with the Commissioners. They will also urge the Legislature to accept their Charter.

Mr. Riggin has given up his broker's certificate for some reason, and now advertises to place business outside the compact. I do not blame him for trying to earn his bread. Every man has a perfect right to do so, still it shows that our compact is vulnerable. Mr. Riggin is a good, live insurance man, and I regret very much that he should have found it necessary to take this action.

The following letter from Manager Niles is self explanatory:

FOREIGN INSURANCE COMPANIES.

"Referring to the expressed intention of certain parties to endeavor to effect insurance on Oregon property in companies which have not complied with the State laws, the attention of property owners and others is requested to section 725 of the 'general laws of Oregon,' which reads as follows:

'No foreign corporation or association shall be permitted to transact the business of fire or marine insurance, brokerage or express, within the limits of this State, without first complying with the provisions of section 2 of the act to regulate and tax foreign corporations, approved October 31, 1864; and every person acting or professing to act as agent for such foreign corporation or association before such compliance, shall be guilty of a misdemeanor, and on conviction shall be punished by a fine not exceeding $1,000, or imprisonment in the county jail not exceeding one year, or both, at the discretion of the Court.'

"The assertion has been boldly made that the intent of the law can and will be evaded by chicanery. That remains to be seen. The Compact Association of the Northwest comprises nearly one hundred of the principal fire insurance companies of the world, and its members comply strictly with the letter and spirit of the law. As manager for that association, I propose in the administration of its affairs, to use all proper efforts to protect the interests of the insurers and of its members, which are mutual; and before taking decisive action, desire in this manner to call the attention of the public to the plain restrictions of the law and the severe penalties attached to its violation."

Mr. Niles paid your city a short visit, and tells me he enjoyed the recreation greatly. On his return a meeting of agents was called, at which several new measures and propositions were brought forward for general discussion. Among them, the reduction of commission to brokers and on business interchange, also allowing one broker for each agency instead of two, as now, and various other things were talked over and voted on, but I believe no definite action was taken in any case. It really seems to me that things are running along so smoothly and the compact has been such a grand success here, that for a time at least we might be satisfied, without by too many changes, perhaps, bringing about a sudden revolution of affairs.

Port Townsend is the last book-rating out. Mr. Niles will soon, I believe, start in to rate Southern Oregon.

The underwriters will be called on to pay several rewards; McGuire has been convicted, getting seven years and six months; Brown also, and others will no doubt follow suit. Incendiarism, for the time being at least, is *non est*. We will try to keep it there.

The "Clarendon Hotel" ruins, which for several months past have been as it were a standing mockery of our underwriting abilities, and far from a pleasant sight to greet the newly-arrived eastern passengers, are at last to be entirely removed.

Building improvements for Portland, East Portland, and Albina, for 1884, are reported as approximating $2,000,000. Not so bad for hard times.

C. P. Church, one of the founders of the well-known firm of Sibson, Church & Co., has withdrawn from the latter.

We were all pleased to notice Mr. Carswell's advancement, as manager *pro tem.* of the Commercial Union. He has many friends here who hope he may be permanently appointed.

Little Hollub, the dwarf, well known, I believe, in San Francisco, has recently been employed by Harry Boyd to solicit for the Hamburg Bremen Insurance Co.

Special Gartner, of the Phœnix and Home, has been busy in the country. He is also

pleasantly anticipating his annual visit to your city next month.

C. B. McHenry came to us overland and soon found plenty to do. He is doing some good special work.

Fay, of the Washington Life, is at present educating the grangers up to the difference between assessment and the genuine life insurance policy. He is meeting with success.

The other day I heard of an "Equitable" man getting a $50,000 risk. The Equitable is not taking a back seat in this part of the world.

Times being hard, a great many persons are dropping out of the assessment concerns, and if they keep on much longer they will have no one to assess. Ultimately, instead of returning to the fold, the chances are they will mend their silly ways and take a *real* life insurance policy. Now is the time to show up the real and the unreal.

Yours truly, NAOLS.

The Home Mutual Insurance Company of San Francisco.

The net premium receipts of this thriving and popular company during 1884 gained over 43 per cent. over the net premium receipts for 1883, advancing from $310,909 to $445,649, an addition of $134,740. This notable gain was made almost entirely on the eastern side of the Rockies, where the Home Mutual has a Department of the West, under the management of A. W. Spaulding, with headquarters at Chicago. It was the rare good fortune of the company to suffer very moderate losses on this new business, the loss ratio being less than half the average loss ratio on Eastern business. The Coast business shows a slight increase and a reduction of 5 per cent. in the ratio of losses to premiums. The loss ratio on the total business of the company was the exceptionally favorable one of 31.3 per cent.

The assets of the Home Mutual, by a gain of $97,183, now aggregate $856 658. This increase represents the net results of the year's transactions. The net surplus is the handsome sum of $250,806, making the surplus as regards policyholders $550,806.

The usual dividends of $36,000 (12 per cent.) were paid to stockholders, who may well congratulate themselves and compliment the admirable management that makes such an agreeable exhibit of the year's business.

Attention is directed to the attractive statement in detail which we present elsewhere.

Sample Co-operative Bills—Every Bar to Fraud to be Withdrawn.

Senate Bill No. 26, introduced by Mr. Lynch and prepared by the Home Benefit Association, of San Francisco, is a measure designed to permit the greatest freedom for all California hat-passing insurance associations of whatever character or record. It is significant that the two or three clauses which, by a liberal construction, may be said to restrain the operation of fraudulent co-operatives apply only to non-resident organizations.

Under the provisions of Mr. Lynch's bill, and of Mr. Jordan's bill in the Assembly, neither money nor character is required of a co-operative association as a condition precedent to incorporation. If five notorious swindlers "form a corporation for the purpose of transacting the business of life or accident insurance, or both, upon the assessment or co-operative plan," the Secretary of State must grant them a certificate of incorporation, and as soon as a copy of this certificate has been filed with the Insurance Commissioner the corporation is "authorized to transact business." The incorporators, though they be men of bad character, men who have been engaged in lawless enterprises, men who are notoriously ready to deceive and swindle, are to be authorized by this act to transact a business of the most delicately honorable nature, requiring ability, experience, patient care and "proof" honesty. They may engage in the business of life and accident insurance, and without giving security, and without property of their own, may handle the funds belonging to widows and orphans and the victims of casualties. And most

dishonorable, for the act is that of a sovereign State, rascals and fools are by the provisions of either bill, not only authorized to prey upon the people with all kinds of villainous or impracticable schemes of assessment life insurance, but they are authorized to do this with the ostensible endorsement of the State itself.

Section 4, of Senate Bill No. 26, provides that the California hat-passers shall, on or before the 1st of February of each year, file with the Insurance Commissioner, on blanks furnished by that official, statements, "verified" by an officer of the corporation, showing the condition of the business of such corporation on the 31st day of December of the past year. What these statements shall be is left to the Comissioner. If he is a friendly official, or fancies himself under political obligations to such hat-passing corporations, he may ask only such questions as the managers may prefer to answer.

We have always insisted that the managers of co-operatives are opposed to making public the condition of their business. They have always fought State supervision because such supervision forced them to place themselves on record, because it forced them to make public their failures, their resisted claims, their compromised claims, their partial payments, and their high expenses. The facts thus extorted from them by law are fatal to all pretensions of economy of management, of cheapness of insurance, and of the value of that insurance itself. The Home Benefit Association, in section 4 of this bill, presents us with more and very strong evidence of the hostility of the co-operatives to any measure forcing them to take the public into their confidence.

If the Home Benefit Association and other California hat-passers interested in the passage of Mr. Lynch's bill courted publicity, if they were willing to let the public know as much of their business as the regular life insurance companies publish in their annual statements, section 4 of the bill would have provided for the reporting in the annual statement of every important detail of business reported by the old-line companies. If the co-operatives had been so willing they would have provided for a report of all the expenses, specifying fees, commissions, salaries and other expenses. They would have provided for a report of the receipts from assessments, dues and admission fees, and a report of the liabilities, the unpaid claims, the resisted claims, and also the percentage paid of claims maturing. But the co-operatives dare not make these things public, and hence the significant omission in Mr. Lynch's bill of any section or clause requiring the desirable information already required by the statutes governing life insurance. Another significant omission is that of a clause requiring] the publication of the co-operative statements in any newspaper. This is still another proof that the hat-passers are afraid to make their record public.

In so much that is bad in Mr. Lynch's bill, removing as it does all restraints to co-operative insurance by California associations, there is a little gleam of reason and prudence, but unfortunately it affects only the non-resident hat-passers. The "statements" of the latter must be *sworn* to, while the "statements" of the California hat-passer may simply be "verified" by an officer. Why does not the bill require the California associations to *swear* to their "statements?"

The foreign or non-resident corporation must certify on oath that it "has paid, and has the ability to pay, its policies and certificates to the full limit named therein." That is a good provision, and it will shut out all the Eastern co-operatives a year or so old; but, once admitted to do business in the State, there is nothing in the proposed law which shall exclude them when their officers can no longer truly swear that they have paid and can pay in full their certificates. But the provision practically excludes non-resident hat-passers and restricts the competition for California business to California co-operatives. That was the design in drawing up the bill.

Why should not a similar condition apply to California co-operatives? If it is right to exclude foreign companies which have not

paid their certificates in full, why should not the Insurance Commissioner be authorized to revoke the license of any assessment company, home or foreign, which can not swear in its annual statement that it "has paid, and has the ability to pay, its policies and certificates to the full limit named therein?" The reason is, that no co-operative could make affidavit to such record and ability.

Section 6 provides that the beneficiaries of corporations "organized under this act" must have an insurable interest in the life of the insured, but this section does not apply to foreign hat-passers. This omission favors the speculatives from other States, especially newly organized "graveyard" insurance companies.

Section 9 provides that all existing co-operatives are relieved from any obligation to incorporate under the provisions of this act, and are granted the right to continue business as heretofore. This section contains the "milk of the cocoanut." It leaves things substantially as they are, merely legalizing all fraudulent assessment enterprises, and adding a supervision that not only does not supervise, but bestows upon the most transparent swindles the apparent endorsement of the Insurance Department.

Assembly Bill No. 35, introduced by Mr. Jordan, scarcely deserves serious consideration. It opens wide the legal doors to the most mischievous humbugs masquerading as insurance associations. The bill was certainly not prepared in the interest of fraternal insurance associations. We are told that Mr. Jordan intends to establish a speculative co-operative of his own, and he wants plenty of latitude.

It is expressly stated in both bills that the creation of a reserve fund is not prohibited, but no provision is made for the investment or security of such fund.

Both bills are manifestly opposed to the interests of the fraternal and other genuine mutual benefit associations, and therefore should, and doubtless will, encounter the earnest opposition of the friends of such associations.

Southern Michigan has a Compact.

Foreign Notes.

It is reported that the New York Life Insurance Co. will soon establish a branch at St. Petersburg.

The Canadian government favors a law protecting the people from hat-passing insurance schemes.

The government of South Australia is offering $30,000 rewards for information leading to the conviction of the incendiaries who started the recent large fire in Adelaide.

A French hail insurance company received 701,354 francs in premiums, and paid 395,269 francs in losses, during 1884—a ratio of about 57 per cent.

An English life insurance company transacting business in the cholera-plagued districts of France and Italy lost no members from that disease.

Geo. Goddeman, President of the Bank of Toronto, Canada, recently insured his life for $250,000 on the fifteen-years endowment plan.

At Unruhstadt, Prussia, there is a small company which insures trestle windmills against breakage or damage by storms and lightning, all damage by fire excepted.

Whatever may be the views of British life insurance companies with regard to the invasion of American insurance companies having for their sole object the transaction of life business, it is perfectly certain that any arrival of American insurance companies, bent upon taking a share in the British fire business, will be welcomed with acclamation. We are by no means certain that our cousins will care about stopping more than a year or two, but whilst they are here they will be made as much at home as if they had been born in Cornhill.—*London Review.*

The "Blighted Affections Assurance Company, Limited," is the title of a new English idea, the prospectus of which reads: "The

object of this office is to guarantee the affections of lovers, or in case of blighting, to offer suitable pecuniary compensation. Its advantages are manifold. Pecuniary compensation is grateful to a wounded spirit; the law recognizes its justice, and continual cases of breach of promise testify to its popularity. But then the public exhibition of heart-strings involved, and the publication of gushing correspondence in the newspapers, have their little unpleasantness. We avoid all that. There is no publicity. The compensation is liberal and the security undoubted."

The principle of insurance seems to have penetrated to the lowest depths of Bolton, where we have a very curious, but disagreeable exemplification of its practical application. It appears that wife-beating, in that enlightened town, is a luxury which the miners of the district are reluctant to relinquish, and they have therefore, it seems, established a club, the subscriptions of which go to provide a fund to liquidate the fines which the representatives of the law may inflict on its members when indulgence in this pastime results in an awkward appearance at the police court. This is a development of civilization in the "black country" of which we cannot be proud, and Max O'Rell may see in it another peculiar trait of John Bull's family.—*London Ins. World.*

The State Investment and Insurance Co. of San Francisco.

The thirteenth annual statement of this excellent California company exhibits assets to the amount of $383,561.37, with a net surplus of $45,639, making the surplus as regards policyholders $245,639.

The assets, which are detailed in the synopsis published elsewhere, embrace some very desirable real estate and choice securities, but consist largely of cash and loans on first-class bonds, stocks, and other marketable securities.

The total premium income during 1884 was $212,162.15. The California business resulted in a loss outgo of only 26 per cent. of the net premium receipts, but, like nearly all the companies, the experience of the State Investment in Oregon and Washington Territory furnished unwelcome evidence of the close relation subsisting between fires and hard times. However, the loss ratio on the total Coast business, in spite of unusual losses in the incendiary-cursed Northwest, was only a little in advance of the average, thanks to the happy outcome of the business elsewhere in this field.

On the other side of the Rockies, where the company ventured for the first time, its reception by the "fire fiend" was uncomfortably warm. The losses, though scarcely exceptional, for the year was an universally disastrous one, swelled the ratio away above the company's average, and persuaded the management to withdraw, for the present, from that land of big fires and break-neck competition.

The usual dividends to stockholders were paid. The expense ratio was moderate, as usual.

During the thirteen years' career of the State Investment it has received $3,327,-252.02 in premiums, and disbursed $1,552,-199.18 in losses. This is a good record.

Gains and Losses in Net Surplus.

We print below an exhibit of the surplus changes effected by the business of 1884 of the companies whose statements have thus far been made public. Twenty-six companies out of seventy-eight, or one-third only, are able to report gains.

Unusual losses are responsible for some of this decline in surplus. The increase of reinsurance reserves made necessary by new business, and the general depreciation in many valuable securities belonging to the companies, were also important factors in accomplishing these losses in net surplus:

LOCAL COMPANIES.

	Gain.	Loss.
California		$25,121
Commercial		54,392
Firemans Fund	$28,962	
Home Mutual		1,230
Oakland Home	17,412	
State Investment		22,481
Sun		16,637
Union		44,193
Western		4,324

OTHER STATE COMPANIES.

	Gain.	Loss.
Ætna		$304,967
Agriculture	$6,317	
Allemannia		13,655
American, Newark	11,344	
American, Philadelphia		144,907
American Central		51,477
Buffalo German	36,079	
Citizens, N. Y		120,294
Citizens, Pittsburg		21,303
Citizens, St. Louis	5,031	
Connecticut		40,774
Continental	126,575	
Farragut		18,234
Fire Association, Philadelphia		135,719
German Freeport	30,554	
German, Pittsburgh		18,989
German-American, N. Y	4,884	
Germania, N. Y		250,557
Girard		23,862
Glens Falls, N. Y	1,321	
Hanover		317,812
Hartford		104,193
Home, N. Y		521,408
Insurance Co. of North America		83,084
Merchants, Newark		36,424
National, N. Y		17,417
National, Hartford		28,340
New Hampshire	7,898	
New York Bowery		99,714
Niagara	7,237	
North American, Boston		17,873
Northwestern National		20,775
Orient	2,992	
Pacific, N. Y		37,108
People's, Pittsburg		47,004
Pennsylvania, Philadelphia	3,987	
Pennsylvania, Pittsburgh		32,850
Phenix, Brooklyn		45,179
Phœnix, Hartford		249,305
Providence, Washington	3,883	
Security	14,113	
Springfield	164,571	
Traders		55,259
United States		5,679
Washington, Boston		68,231
Williamsburgh City	5,842	

UNITED STATES BRANCHES OF FOREIGN COMPANIES.

	Gain.	Loss.
British America		$100,821
City of London		63,200
Commercial Union		84,058
Fire Insurance Association		48,000
Guardian		111,243
Hamburg-Bremen		112,449
Imperial	$98.216	
Lancashire	40,453	
Liverpool & London & Globe	4,482	
London & Provincial		10,282
Lion		7,298
London Assurance	19,509	
London & Lancashire	125,226	
Norwich Union		29,368
North British & Mercantile	45,468	
Northern		72,622
Phœnix, London		90,301
Royal	88,714	
Scottish Union & National	22,560	
Sun Fire Office		239,865
Transatlantic		11,140
United Fire Reinsurance		107,936
Western, Toronto		56,353

Several Oregon Bills.

Two bills hostile to fire insurance interests have already been presented in the Oregon Legislature, and referred to the Judiciary Committee. One of them is our old acquaintance, the valued policy bill. It is substantially the same as that which passed at the last session and was vetoed. The other bill relates to non-resident corporations. It is House Bill No. 18, and reads as follows:

SECTION 1. That Section 3, of Chapter 24, Miscellaneous Laws of Oregon, as compiled in 1874, which Chapter is entitled "Of Foreign Companies Doing Business in this State," shall be amended so as to read as follows;

SEC. 2. No foreign corporation or association shall be permitted to do or carry on business in this State, except on condition that such corporation or association pay into the State Treasury, for the benefit of the State, an annual license of seven hundred and fifty dollars, which shall be payable on the first day of December of each year, and the deposit shall be held liable therefor. All interest accruing from the United States on said bonds shall be paid as the same may accrue, to the corporation or association to whom the same belongs, provided said license is promptly paid as herein stated.

SEC. 3. That inasmuch as the corporations and associations herein mentioned and referred to, have hitherto failed to contribute their just proportion to the expenses of the State Goverment, and that it is expedient that they be required to do so as early as possible, this Act shall take effect and be in force from and after its approval by the Governor.

The foregoing bill should be entitled "An Act to Discourage the Investment of Foreign Capital." So far as life and fire insurance companies are concerned, it is not true, as gratuitously set forth in the third section, that they have "failed to contribute their just proportion to the expense of the State Government." But if it were true, the proposed license fee would be exorbitant. As it is, the fee is simply outrageous.

Statement of the Condition and Affairs

OF THE

FIREMAN'S FUND

Insurance Co. of San Francisco, California.

Amount of Capital Stock paid up in Cash	$ 750,000 00
Amount of Capital Stock Authorized	750,000 00

ASSETS.

Real Estate owned by Company	321,598 60
Loans on Bond and Mortgage	104,500 00
Cash market Value of all Stocks and Bonds owned by Company	653,235 00
Amount of Loans secured by pledge of Bonds, Stocks and other marketable securities as collateral	113,450 00
Cash in Company's Office and in Banks	180,061 05
Interest due and accrued on all Stocks and Loans	7,601 12
Interest due and accrued on Bonds and Mortgages	382 72
Premiums in due Course of Collection	90,558 29
Bills receivable, not Matured, taken for Fire and Marine Risks	44.824 57
Rents due and accrued	234 85
Due from other Companies for Re-insurance on losses already paid	4,448 57
TOTAL ASSETS	$1,520,894 77

LIABILITIES.

Losses Adjusted and Unpaid	21,917 92
Losses in process of Adjustment or in Suspense	39,491 91
Losses resisted including expenses	15,323 88
Gross Premiums on Fire Risks running one year or less, $450,668 89; re-insurance fifty per cent	225,334 45
Gross Premiums on Fire Risks running more than one year, $215,725 31; re-insurance pro rata	117,854 55
Gross Premiums on Marine and Inland Navigation Risks	20,994 91
Gross Premiums on Marine Time Risks, $87,629,54; re-insurance fifty per cent	43,814 77
Commissions and Brokerage due, and to become due	9,030 23
Marine Bills Payable	3,786 95
Agents' Balances	5,013 28
TOTAL LIABILITIES	$ 502,562 87

INCOME.

Net Cash actually received for Fire Premiums	$ 564,533 22
Net Cash actually received for Marine Premiums	190,970 90
Received for Interest on Bonds and Mortgages	6.504 90
Received for Interest and Dividends on Bonds, Stocks, Loans and from all other sources	34,535 41
Rents	15,000 03
TOTAL INCOME	$811,544 46

EXPENDITURES.

Net Amount paid for Fire Losses	$ 325'698 74
Net Amount paid for Marine Losses	90,493 15
Dividends to Stockholders	90,000 00
Paid or allowed for Commission or Brokerage	87,478 99
Paid for Salaries, Fees and other Charges for Officers, Clerks, &c	69,034 72
Paid for State, National and Local Taxes	13,676 65
All other Payments and Expenditures	73,211 19
TOTAL EXPENDITURES	$749,593 44

Premiums Received Since Organization	**$10,377,695 60**
Losses Paid Since Organization	**5,900,737 11**

D. J. STAPLES, President. **WILLIAM J. DUTTON, Secretary.**
ALPHEUS BULL, Vice-President. **E. W. CARPENTER, Ass't Secretary.**
N. T. JAMES, Marine Secretary.

Home Office, S. W. cor. California and Sansome Streets, San Francisco, Cal.

City Agency, Fire Dep't,
THANNHAUSER & CO, Agts,
No. 311 California St, S. F.

Eastern Department,
THOS S. CHARD, Manager,
157-159 La Salle St., Chicago, Ill.

It is not at all likely that this absurd bill will become a law. A young State like Oregon is especially in need of foreign capital in all kinds of enterprises, and it is obvious that if incorporated capital is met at the threshold with a heavy sample license fee, it will be accepted as indicative of similar illiberal treatment in other ways and by other authorities.

BILL RELATING TO INCENDIARISM.

A bill has been introduced in the senate by Mr. Miller which will meet the hearty commendation, not only of fire insurance men, but of all Oregon property-owners. It is for an act to detect and punish incendiarism. Should it become a law, it will diminish the danger and losses from that source, and restore the credit of a State now notorious for its suspicious fires. Following is a copy of the bill (S. B. No. 74):

SECTION 1. Whenever it is made to appear by the complaint of any citizen that any building or other property has been set on fire, or attempted to be, or burned from an unknown cause, or any cause not clearly accidental, it shall be the duty of any Justice of the Peace of the county where such fire occurred, or was attempted, and to whom such complaint shall be made, to immediately summon three good and lawful citizens, who shall be householders in the county, to appear at the place of the fire at a time fixed as soon as possible, to inquire when, how, and by what means, the fire originated. If any person so summoned does not appear, the Justice shall complete the panel by appointing from the by-standers, or from citizens residing in the vicinity of said fire.

SEC. 2. When the panel is complete, the Justice shall administer the following oath:

You, and each of you, solemnly swear that you will diligently examine and inquire when, how, and by what means, the fire which has here occurred was caused, and that you will return a true verdict, according to your knowledge, and such evidence as shall be laid before you. So help you God.

SEC. 3. The Justice of the Peace shall issue subpœnas for witnesses, returnable at such time and place as he therein directs. The witnesses shall be sworn, their testimony reduced to writing, and subscribed to by them.

SEC. 4. The Jury, after hearing the testimony, and making all needful examinations and inquiries, shall draw up and deliver to the Justice holding such inquest, their verdict, signed by them, or, in case of disagreement, by two of them, in which they shall find and certify when, how, and by what means such fire was caused. Said finding, together with the testimony of the witnesses, shall be certified by the Justice and filed with the Clerk of the Circuit Court of the county in which such fire originated within one week thereafter.

SEC. 5. For the purpose of investigation, the Justice and jury shall have free access to any building or property whatsoever.

SEC. 6. If the jury shall find that any person or persons wilfully set fire to the property in question, or attempted to, or that reasonable cause exists for believing them to have been accessory thereto, unless such person or persons be already in custody, the Justice shall issue a warrant for the arrest of the person or persons so charged, and shall deliver the same to any Constable in the county, or the Sheriff thereof. In such cases the Justice may bind over the witnesses, or any of them, to appear at an examination of the person or persons so charged, at such time and place as may be directed; but nothing in this Act shall be construed to interfere with arrest and examinations of any person charged with the crime of arson, as now provided by law.

SEC. 7. For the purposes of this Act, the Justice of the Peace shall have the same power to enforce the attendance of jurors and witnesses as when sitting as a committing magistrate.

SEC. 8. The compensation for holding such inquest shall be the same as now provided by law for Coroner's inquests, and shall be audited and paid in like manner.

Letter from the Interior.

EDITOR OF THE COAST REVIEW—There seems to prevail among the insurance agents of this town a universal rule of grab, boys, grab. Some of our chief underwriters at San Francisco have instructed them by red letters to grab all risks possible, irrespective of rate. The writer has never been a cowardly underwriter, and never remiss in cutting rates when a Chinese wash-house, match factory, powder works, or stone quarry under water was offered to him. He had always flattered himself that he was equal to any competition and could not be outdone, not even by the Washington Mutual or the defunct Central Pacific of Nevada; but alas, just now he finds himself completely outgeneraled and vanquished by these make-believe conservative companies. Their chief aim is to place business on their books before the compact goes into effect. If this town and county are not placed under the tender guardianship of brother Stillman soon, the customs of insurance will be turned squarely around. Companies will, instead of

charging a premium, pay one to get risks on their books.

The writer thinks that Cambria, of this county, is a good town for those companies to go to, to appease their morbid greed for defacing their registers with gratuitous policies. He has just surveyed the town and canceled his companies' risks there, which he cheerfully surrenders to the grabbers. The town is a dilapidated one, composed of frame ranges, ornamented externally with rusty stove-pipes protruding through the side walls and roofs, and beautified internally with cloth lining, beer kegs and demijohns. In addition to the above mentioned adornments, an enterprising citizen has purchased, at the enormous cost of seventy-five dollars, an old condemned boiler and engine, and placed them inside of one of said frame ranges to operate a furniture factory. They send forth an avalanche of sparks that strike the brave underwriter with profound admiration.

Taking as a criterion the experience of fire insurance companies in the past year, and the present mode of the grabbers' operations, we must conclude that they were educated to the bee-hunter's theory, that if a reasonable feed of wild honey sickens you, take for a remedy another dose. To the agents this grab game seems a feast, but to the companies it must soon be grim death. Oh, consistency, art thou but a name?

SYCAMORE.

A Few Words with the Friends of Fraternal Insurance Societies.

It is a self-evident proposition that the moderate success of experiments in fraternal insurance depends upon the abundance of material from which to draw new and young members. It is only by the steady inflow of "new blood" that the death rate of these societies can be kept within reasonable limits. It is equally self-evident that, to secure the regular accession of new members, there must be a broad field of work and moderate competition only. It is not less true that the only *rivals* the fraternal societies have are the speculative assessment associations. The only real competition the former encounter proceeds from the latter. It is clear, then, that the interests of the two classes of co-operatives are diametrically opposed. The more speculative co operatives, like the Home Benefit Association or the Texas Self-Endowment Association there are in this field, the more difficult it will be for the fraternal insurance societies to secure the young members so essential to their existence.

Many of these speculative co-operatives are arrant humbugs or villainous frauds, and the dishonesty they practice in the name of assessment insurance, and the failures so frequently occurring, unquestionably react to the detriment of the honorably conducted fraternal insurance societies. The bad reputation of the speculatives must cling to the skirts of the fraternals. This is another reason, and by no means the least, why the true interests of the fraternal societies are opposed to any change in the laws of California authorizing the transaction of assessment insurance by other than fraternal societies.

If it shall be deemed best to so amend the law as to more clearly define the rights of the fraternals, it may be well enough to do so, but it seems altogether unnecessary. The legal rights of this class of assessment associations have never been assailed nor even questioned. Under the present law, the fraternals may pursue their mutual benefit insurance enterprises unharrassed by the competition and malicious misrepresentations of their speculative co-operative rivals. They would have the field all to themselves.

In any event, the friends of fraternal insurance in the Legislature should oppose the enactment of any law removing all restrictions from speculative assessment insurance. Both Mr. Lynch's and Mr. Jordan's bills are notably designed to favor the speculatives at the expense of the fraternals.

Never did the [life] companies so little need new business, for their own welfare, as now. Even the moderately successful ones have a business sufficient for a safe basis; and the true problem before all of them relates, not only to the quantity, but to the quality of their business.—*Jacob L. Greene.*

Our London Letter.

LONDON, Jan. 17, 1885.

EDITOR COAST REVIEW—This will, I fear, only be a short letter, and starts late, but your readers will, I trust, accept my assurance that "force majeuse"—by which I mean indisposition—is the cause of such backsliding. Better luck next time!

In a recent letter I mentioned the resignation of Mr. D. M. Lang, the manager of the Commercial Union Insurance Company. Now I have the pleasure to announce the appointment as Mr. Lang's successor of Mr. Philip Winsor, late foreign sub-manager, for many years, of the North British & Mercantile Insurance Company. Both the company and Mr. Winsor are to be congratulated, the former because they acquire the services of a gentleman possessing both a wide foreign experience and great business ability, and the latter because he finds a clearer scope for his talents and energy than a subordinate (although very important) position could give him.

Our "international" (if I may use the term) companies—*i. e.*, those whose policy is imperial as regards area of their operations—have, with hardly an exception, found 1884 a very hard year for fire insurance, worse even than 1883. Your magnificent land of the free is responsible for a lot of the mischief, and sundry other outlandish countries must bear the responsibility of most of the remaining failures. British fire business has, generally speaking, been good and profitable, although we have had one or two big blazes, and those companies which have restricted their business to our own shores have no reason to grumble. We shall not, however, have the published accounts before us for some months.

The marine companies are now bringing out their figures, and, on the whole, show fair results. Among those making headway is to be found the City of London Marine, of which Mr. Philip Secretan, late Assistant Underwriter at the London & Provincial Marine, is Underwriter.

Two companies here are talking about Pacific Coast agencies. Have you anything good to offer, or are you, in common with the rest of the United States, building up a gigantic dust heap?

Faithfully yours,

A LONDONER.

Substitute for Assembly Bill No 35.

Upon examination of Mr. Jordan's bill the House Committee found that the proposed measure was entirely destitute of any redeeming qualities whatever. It was manifestly in the interest of the most iniquitous schemes of assessment insurance.

The following substitute was reported and recommended by the Committee. A similar substitute, except "and not for profit," was also recommended by the Corporation Committee of the Senate.

An Act to amend an Act entitled "An Act to establish a Civil Code," approved March 21st, 1872, by adding a new section thereto to be numbered and known as Section 451, relating to fraternal and co-operative organizations.

The People of the State of California, represented in Senate and Assembly, do enact as follows, to-wit:

SECTION 1. A new section is hereby added to said Civil Code to read as follows:

SECTION 451. All associations or secret orders and other benevolent or fraternal co-operative societies incorporated or organized for the purpose of mutual protection and relief of its members and for the payment of stipulated sums of money to its members, or to the family of deceased members, *and not for profit*, are declared not to be insurance companies in the sense and meaning of the insurance laws of this State, and are exempt from the provisions of all existing insurance laws of this State.

The foregoing is rather crude, evidently having been hastily considered, and it is not improbable that it may contain loopholes through which the most disreputable schemes may crawl. Recent developments in fraudulent endowment and life assessment insurance in this city should stimulate the friends of the fraternal societies and all good citizens to secure the enactment of this substitute, after a careful revision.

The Supreme Court of Alabama recently affirmed the opinion of the Circuit Court in the case of White *vs.* the Equitable Nuptial Benefit Association, holding that a contract of marriage with associations of this class is void.

The Pacific Coast Fire and Marine Insurance Business for 1884—A Glance at our Tables.

The fire insurance business in this field last year was much better than was generally anticipated. The premium income increased $283,473, and the losses decreased $303,264. The percentage of increase was not so great as in 1883, being but 4.7 to 9. The advance in the aggregate premium receipts was derived almost entirely from the California business, the territory outside of this State contributing altogether less than ten thousand dollars more than in 1883. The total losses decreased $303,473. The total California losses decreased $389,356, which indicates a gain of about $86,000 in the losses elsewhere on the Coast.

As to the average loss ratio, the REVIEW must take credit for a close guess. Last month we estimated that the average loss ratio would be about 38 per cent. The exact percentage is 38.6. The close estimate made, falling only six-tenths of one per cent. of the official result, proves that the loss reports in the REVIEW are approximately correct. For this favorable loss ratio no thanks are due Oregon or Washington Territory.

Dealing with the several classes of companies, we find, on referring to the tabular statement of the Coast business printed in this month's REVIEW, that the business of the foreign companies has fallen off considerably, the premium income being $126,906 less than for 1883. In this State the premium receipts of the foreign companies show a reduction of only $30,058. The losses decreased in greater proportion, both in the State and in the entire field, the ratio being lowered 13.3 per cent. in the former and 8 per cent. in the latter, where it was only 27.9 per cent.

The California companies increased their premium income $31,800, about $30,000 of which gain was derived from the State business. The average loss ratio was higher, both in California and elsewhere on the Coast, than either the other-State or foreign companies. The average loss ratio advanced only eight-tenths of one per cent, however.

The other-State companies fared unusually well, increasing their premiums $378,579, and yet diminishing their losses $42,898. The average loss ratio of this class of companies was only 33.3 per cent., over five per cent. less than the average for all. The loss ratio for California was only 26.9 per cent., the losses being reduced $108,284, and the premiums gaining $275,261.

The San Francisco premiums increased $52,618. Both the California and foreign companies show a reduction of receipts from this source.

The result is highly creditable to the ability and conservatism of San Francisco underwriters, and to that better class of agents who discharge their duties faithfully and intelligently, and endeavor to co-operate with the general agencies.

Following is a table which reveals at a glance the movement of business as compared with the figures for 1883. For full particulars the reader is referred to the large tabular statement accompanying this number of the REVIEW in supplement form:

CALIFORNIA BUSINESS OF CALIFORNIA COMPANIES.

	Increase.	Decrease.
San Francisco premiums	.....	$2,736
Amount written in State	$1,517,717	.....
State premiums	29,868	.....
State losses	.....	34,097
Average loss ratio	.....	4.4 %

CALIFORNIA BUSINESS OF OTHER-STATE COMPANIES.

	Increase.	Decrease.
San Francisco premiums	$92,524	.....
Amount written in State	19,808,802	.....
State premiums	275,261	.....
State losses	.....	$108,284
Average loss ratio	.....	12.9 %

CALIFORNIA BUSINESS OF FOREIGN COMPANIES.

	Increase.	Decrease.
San Francisco premiums	.....	$37,161
Amount written in State	.....	3,830,071
State premiums	.....	30,058
State losses	.....	246,975
Average loss ratio	.....	13.3 %

TOTAL CALIFORNIA BUSINESS.

	Increase	Decrease.
San Francisco premiums	$52,618	.....
Amount written in State	17,496,448	.....
State premiums	275,071	.....
State losses	.....	$389,356
Average loss ratio	.....	11.1%

PACIFIC COAST BUSINESS OF CALIFORNIA COMPANIES.

	Increase	Decrease
Amount written	$327,829	.....
Premiums	31,800	.....
Losses	17,110	.....
Average loss ratio	00.8%	.....

PACIFIC COAST BUSINESS OF OTHER-STATE COS.

	Increase	Decrease
Amount written	$20,478,947	.....
Premiums	378,579	.....
Losses	.....	42,898
Average loss ratio	.....	8.7%

PACIFIC COAST BUSINESS OF FOREIGN COMPANIES.

	Increase	Decrease
Amount written	.....	$11,501,441
Premiums	.....	126,906
Losses	.....	277,476
Average loss ratio	.....	8%

TOTAL PACIFIC COAST BUSINESS.

	Increase	Decrease
Amount written	$9,305,335	.....
Premiums	283,473	.....
Losses	.....	$303,264
Average loss ratio	.....	5.2%

THE MARINE BUSINESS.

We print elsewhere a table giving the Coast business for 1884 of the marine companies, and the marine branches of fire companies operating in this field. A gain of $4,011,811 in the amount written is reported. Of this gain about $900,000 is to be credited to our local companies. The premium income was reduced $154,211, both resident and foreign companies reporting a reduction. The average loss ratio of the local companies was 39.4 per cent., or 7.2 per cent. less than for 1883. The average loss ratio of the Eastern and foreign companies was 30.3 per cent. Last year it was 65.7, leaving a favorable difference of 35.4 per cent. The average loss ratio on the total business was only 32.5, or 28.4 per cent. less than for 1883. The year was a prosperous one for all but two or three companies, so far as the business of this field was concerned.

The Fire Insurance Business of Seventy-Eight Companies for 1884.

From the reports already published we compiled the fire premium receipts and losses of seventy-eight representative companies doing business in this country, including the United States branches of twenty-four foreign companies. The loss ratios are given also. It should be borne in mind that the figures do not include the marine business of companies doing both a marine and fire insurance business.

The average loss ratio was 62.8 per cent., which may be accepted as about the rate that full reports will give for the entire business of the country. This is an advance of over six per cent. in the average loss ratio. The American companies fared a little better than the foreign companies, but not enough to boast very loudly over.

Accepting 63 per cent. as a trustworthy estimate of the probable average loss ratio, and adding thereto 35 per cent. for expenses, we have as a net result two per cent. of the premium income for the capital risked, with term risks still to run. It must be admitted that the outlook for the business at large is rather gloomy. There must be fewer fires or a general advance in rates. But diminished fire losses can not be reasonably expected, so there is practically no alternative. Rates must be advanced all along the line.

Following are the figures referred to:

CALIFORNIA COMPANIES.

	Fire Premiums.	Losses.	Loss Ratio.
California	$376,447	$211,174	56.1
Commercial	274,241	158,899	57.9
Firemans Fund	564,533	325,698	57.9
Home Mutual	445,649	140,242	31.3
Oakland Home	174,789	91,352	52.0
State Investment	212,162	140,957	66.5
Sun	155,648	78,840	50.9
Union	288,086	182,746	63.4
Western	209,357	154,523	73.9
Total	$2,700,912	$1,484,431	54.9

OTHER STATE COMPANIES.

	Fire Premiums.	Fire Losses.	Loss Ratio.
Ætna	$2,358,728	$1,336,046	57.0
Agricultural	762,215	327,061	41.9
American, N. J	331,420	145,824	41.1
American Central	512,396	320,214	64.0
American Fire, Phila	829,986	589,599	71.0
Buffalo German	368,436	205,517	53.1
Citizens, N. Y	736,048	358,555	48.9
Connecticut	842,300	504,151	59.9
Continental	2,320,841	1,317,783	56.9
Farragut	158,763	92,162	58.9
Fire Association, Phila	1,431,892	1,037,831	72.5
German-American, N.Y	1,870,098	1,012,590	54.1
German, Pittsburg	232,928	139,581	60.6
Germania, N. Y	1,516,944	889,851	59.3

Girard	310,903	169,831	56.6
Glens Falls	518,379	312,260	60.2
Hanover, N. Y	1,415,499	859,629	61.3
Hartford	2,342,899	1,523,295	65.1
Home, N. Y	3,353,159	2,050,763	61.2
Ins. Co. of N. A	2,176,580	1,442,591	66.5
Ins. Co. of State of Penn	142,813	97,467	68.9
Merchants, N. J	582,219	390,069	67.0
National, N. Y	194,298	132,904	68.5
National, Hartford	451,709	236,890	52.5
New Hampshire	464,776	278,617	60.0
New York Bowery	418,989	293,072	70.1
Niagara	1,303,673	278,617	21.3
North American, Boston	97,737	50,697	52.1
Northwestern National	465,031	240,110	51.4
Orient	518,035	316,597	61.1
Pacific, N. Y	254,345	156,724	57.2
Pennsylvania, Phil	835,499	564,167	67.0
Pennsylvania, Pitts	148,799	101,479	68.5
Phenix, Brooklyn	3,413,073	1 690,816	49.5
Phœnix, Hartford	2,038,471	1,290,205	63.3
Prescott, Boston	184,565	136,034	73.9
Prov. Washington	414,285	375,789	90.7
Security	208,872	123,144	59.2
Springfield, Mass	1,634,653	1,014,087	62.0
Star, N. Y	249,827	193,710	77.7
St. Paul	468,619	323,271	99.0
Traders	501,713	317,302	63.3
United States, N. Y	105,058	53,699	51.1
Washington, Boston	614,938	394,931	64.3
Williamsburg City	681,288	336,831	49.4
Total	$40 199,744	$24,022,363	59.9

U. S. BRANCHES.

British America	585,460	409,366	66.3
City of London Fire	553,221	383,530	69.3
Commercial Union	1,840,865	1,134,604	61.6
Fire Ins. Association	782,262	586,156	75.4
Guardian	635,708	421,334	66.3
Hamburg-Bremen	774,964	555,295	71.7
Imperial	1,014,170	679,009	67.8
Lancashire	1,074,504	753,078	70.4
Lion	362,454	218,569	60.3
Liv. & London & Globe	3,611,625	2,172,559	60.2
London Assurance	664,036	485,331	73.1
London and Lancashire	1,004,701	770,698	77.
London and Provincial	337,163	307,881	91.3
North B. and Merc	1,529,181	1,056,973	69.1
Northern	801,190	528,420	65.7
Norwich Union	727,593	502,450	69.2
Phœnix Fire	1,227,811	841,422	68.5
Queen	1,174,139	863,133	72.6
Royal	2,524,885	1,603,483	65.1
Scottish Union and N.	363,057	219,929	60.5
Sun Fire, London	1,219,960	833,249	68.8
Transatlantic	257,149	143,721	57.8
United F'e Reinsurance	874,430	873,076	99.9
Western, Toronto	884,355	702,975	79.5
al	$24,825,883	$17,051,239	68 7
Grand Total	$67,724,539	$42,553,033	62.8

Gen. Hamilton B. Lee has been appointed Insurance Commissioner of Texas *vice* Brewster, deceased. The new Commissioner of Maine is Hon. Jos. O. Smith.

The Mutual Benefit Life Insurance Co. of New Jersey.

This sterling and conservative life insurance company makes the usual admirable exhibit this year in its statement of the business for 1884. The assets, by an addition of over a million dollars, now make the formidable sum of $38,615,319. The net surplus over all liabilities, N. Y. standard, is $5,411,241. During 1884 the Mutual Benefit disbursed $3,057,457 in the payment of death claims, endowments and annuities, and for surrendered policies, and over a million dollars in dividends or return premiums to policyholders.

The policies of this company are liberal, the policyholder being free to travel when and where he pleases, or to engage in any occupation, after three years. In the plans and methods of the company there are no misleading technicalities.

Under the premium loan system, the company agrees to accept a uniform cash premium of 70 per cent. of the full rate, the remaining 30 per cent being charged against the policy as a loan to be met by dividends. Cash loans are made at any time up to half of the value of assignable policies. All policies are non-forfeitable after the second year, and in case of non-payment, by accident or otherwise, are continued in full force for the full amount until full value of policy is exhausted. See brief illustration in the red leaf printed elsewhere.

FIRES.

The following losses were omitted last month:

December 6, Hopeton, Cal., frame building and general merchandise:

Home & Phœnix $2,500

December 27, Monfosa, Cal., frame building:

Commercial, San Francisco $500

December 12, Healdsburg, Cal., merchandise:

Glens Falls $394
Springfield 394

December 3, Sunol, Cal., warehouse:

German, Freeport $700

December 9, San Francisco, tannery:

Merchants	$1,300
Springfield	1,300
German, Freeport	1,300

Following are the fires for January:

January 5, San Bernardino, Cal., frame building:

Phœnix, London	$230

January 15, Visalia, Cal., brick warehouse building and frame bakery:

Liverpool & London & Globe	$361

January 24, Santa Rosa, Cal., dwelling and furniture:

Insurance Co. of North America	$650
Pennsylvania Fire, Philadelphia	300

January 27, Santa Rosa, Cal., frame barn:

American Central	$300

January 10, Oregon City, frame building, printing office, stock of furniture:

Home & Phœnix	$700
Phœnix, London	270
Hartford	272
Home Mutual	420

January 15, San Francisco, restaurant and fixtures:

Amazon	$451

January 11, San Francisco, spices and coffee:

Hamburg-Magdeburg	$2,185

January 23, Windsor, Cal., charcoal;

Pennsylvania Fire, Philadelphia	$750

January —, Seattle, W. T., saloon building and stock:

Hartford	$637
Commercial, San Francisco	—

January 9, Los Angeles, Cal., frame building:

Connecticut	$342

January 30, Chico, Cal., machine shop:

Traders	$411
Oakland Home	1,235
Western, San Francisco	1,605

January 1, San Francisco, frame building:

New York Underwriters Agency	$400

January 28, San Francisco, frame building:

Transatlantic	$192

January 9, Butte county, Cal., dwelling:

Hamburg-Magdeburg	$500

January 17, Solano county, Cal., dwelling:

German-American	$500

January 1, San Bernardino, Cal., dwelling:

Lion	$250

January 1, Woodland, Cal., frame barn:

Oakland Home	$100

January 5, San Jose, Cal., merchandise, frame warehouse and contents:

Western, S. F.	$2,258
Liverpool & London & Globe	3,153
Total	$5,411

January 6, Benton, Mono county, Cal., frame building and general merchandise:

Svea	$2,000
Hamburg-Bremen	2,000
Helvetia	1,500
North German	500
Total	$6,000

January 1, Chico, Cal., furniture:

South British & National	$485

January 22, Anaheim, Cal., frame warehouse, stable and grain:

Firemans Fund	$2,494

January 3, Ritzville, W. T., saloon and contents and frame building:

Oakland Home	$736
London & Lancashire	675

January 17, Los Angeles, Cal., frame dwelling and barn:

City of London	$325

January 17, near Stockton, Cal., hay:

Phenix, Brooklyn	$775

January 1, San Jose, Cal., barn:

Commercial, S. F.	$200

January 28, San Francisco, merchandise in frame:

South British & National	$525

January 17, Mason's Valley, Nev., hay and farm buildings:

Phenix, Brooklyn	$2,939
American, Phila	1,919

January 20, Santa Clara county, Cal., cart and harness:

Phenix, Brooklyn	$250

January 4, Oakland, Cal., dwelling:

Firemans Fund	$200

January 1, Los Angeles, Cal., frame building and general merchandise:

North German	$1220

January 9, Los Angeles, Cal., stationery:

Continental	$800

January —, Ellensburg, W. T., drug stock:

Hartford	$750

January 26, Portland, Or., furniture:

Oakland Home	$228

January 19, Davenport, W. T., frame building and general merchandise:

Phœnix, London	$1,000
Western, Toronto	1,000

January 4, The Dalles, Or., general merchandise:

California	$400

January 7, Livingston, W. T., dwelling, furniture, etc.:

Lion	$500
City of London	500

January —, Portland, Or., dwelling:

State Investment	$925

January 27, Willows, Cal., dwelling and furniture:

Am Central & Northwestern National	$225

January 12, Tucson, A. T., wines and liquors:

Imperial, London, Northern & Queen	$860
London & Lancashire	499

January 2, Portland, Or., clothing, etc.:

Phenix, Brooklyn	$240

January 10, Dilly Station, Or., frame building and general merchandise:

New Zealand	$2,000
Home Mutual	1.000

January 27, Portland, Or., clothing, etc.:

Royal, Norwich Union Lancashire	$1,500

January 20, New Tacoma, stock of clothing, etc.:

Howard	$1,000
Phenix, Brooklyn	500
Merchants	800
Springfield	800
Shoe & Leather	1,000
Niagara	1,000
Helvetia	1,500
London & Provincial	15,00
Liverpool & London & Globe	3,000
Total	$10,100

January 1, Sprague, W. T., frame saloon, frame store and merchandise:

State Investment	$1,274
Home Mutual	1,200
Firemans Fund	730
Liverpool & London & Globe	1,800
Total	$5,004

January 13, San Luis county, Cal., dwelling and furniture:

Sun	$2,500
Boston Underwriters	2,500
Total	$5,000

January 18, San Luis Obispo county, Cal., farm buildings:

Phenix, Brooklyn	$1,197
American, Phila	1,920

January 17, Merced, Cal., general fire:

Home & Phœnix	$645
Teutonia	500
London & Northwestern	575
Niagara	382
Fire Ins. Ass'n, London	220
New Orleans Ins. Ass'n.	220
Allemannia	875
Germania, N. O.	500
Three other companies	142

January 31, Williams, Cal., frame dwelling and saloon:

Firemans Fund	$1,254

January 28, Elma, Cal., smelting works:

Lion	$2,000
Washington	1,500
Orient	1,500
Phenix, Brooklyn	2,250
United Reinsurance	1,250
Total	$8,500

January 17, Salt Lake, U. T., smelting works:

South British & National	$2,000
City of London	2,000
London & Lancashire	2,000
Manchester	2,000
Phœnix, London	2,000
Total	$10,000

January 22, Spokane Falls, W. T., saloon:

Helvetia	$800

January 6, Benton, Cal., store:

Helvetia	$1,500

January 30, San Francisco, hardware:

Firemans Fund	$192

January 30, San Francisco, general fire. A portion of the losses in this fire have been adjusted, as follows. These losses occurred on the property adjoining Holt Bros', who were the principal losers:

New Hampshire	$1,500
Svea	937
Manufacturers	1,500
Boylston, Boston	1,000
British America	750
Commercial Union	1,497
Providence-Washington	937
Prussian National	1,125
Liverpool & London & Globe	150
Total	$9,396

The losses on other adjoining property were about $1,500. Upon Holt Bros' losses

STATEMENT OF THE CONDITION and AFFAIRS

OF THE

State Investment and Insurance Co.

OF SAN FRANCISCO, CAL.

On the 31st of December, 1884.

CAPITAL.

Amount of Capital Stock paid up in Cash	$200,000 00
Amount of Capital Stock Authorized	200,000 00

ASSETS

Real Estate owned by Company	$150,859 13
Loans on Bonds and Mortgages	78,550 00
Cash Market Value of all Stocks and Bonds owned by Company	75,800 00
Amount of Loans secured by pledge of Bonds, Stocks and other marketable securities as collateral	20,000 00
Cash in Company's Office	3,470 20
Cash in Banks	6,536 47
Interest Due and Accrued on all Stocks and Loans	1,229 40
Interest Due and Accrued on Bonds and Mortgages	218 10
Premiums in due Course of Collection	46,446 07
Rents Due and Accrued	452 00
TOTAL ASSETS	$383,561 37

LIABILITIES

Losses in Process of Adjustment or in suspense	$ 13,522 23
Losses resisted, including expenses	2,500 00
Gross Premiums on Fire Risks running one year or less, $200,418 08; re-insurance 50 per cent	100,209 04
Gross Premiums on Fire risks running more than one year, $34,443 74, re-insurance pro rata	18,624 02
Cash Dividends Remaining Unpaid	430 00
Commissions and Brokerage Due and to become Due	2,637 40
TOTAL LIABILITIES	$137,922 69

INCOME

Net Cash actually received for Fire Premiums	$212,162 15
Received for Interest on Bonds and Mortgages	4,840 58
Received for Interest and Dividends on Bonds, Stocks, Loans, and from all other sources	4,284 32
Rents	10,702 00
TOTAL INCOME	$231,989 05

EXPENDITURES

Net Amount Paid for Fire Losses	$140,957 88
Net Amount paid for Marine Losses	1,007 72
Dividends to Stockholders	23,745 00
Paid or allowed for Commission or Brokerage	47,370 83
Paid for Salaries, fees and other charges for officers, clerks, etc	18,054 20
Paid for State, National and local taxes	2,484 02
All other Payments and expenditures	17 451 15
TOTAL EXPENDITURES	$251,070 80

Office, Nos. 218 and 220 Sansome Street,

SAN FRANCISCO, CAL.

the adjustments have not been made. Following is a list of the insurance on same. The salvage will probably be considerable:

HOLT BROS.

Fire Association, Phila	$2,500
Commercial, S. F	2,500
Boatmans	2,500
Springfield	2,000
Oakland Home	2,000
American, Phila	3,500
Phenix, Brooklyn	1,500
Guardian	2,000
Allemannia	1,500
Fire Ins. Ass'n, London	1,500
St. Paul	1,500
New Orleans	3,000
Peoples, Pittsburgh	1,500
Girard	1,500
Oregon	1,500
Traders	1,500
Home Mutual	2,500
Shoe & Leather	1,250
American Central	1,250
London & Northwestern	1,250
Irving	2,500
German, Freeport	1,000
Firemens, Baltimore	1,000
Teutonia	1,000
Union, Phila	1,000
Total	$44,750

January 6, Socorro, N. M., brick store building:

Firemans Fund	$1,000

January 2, Chico, Cal., brick building:

California	$930

January 26, Portland, Or., merchandise:

South British & National	$164
Phenix, Brooklyn	170

January 3, Stockton, Cal., general merchandise, saloon and brick building:

Continental	$455
Ætna	223
Home & Phœnix	436
Home Mutual	750
Fire Insurance Association, London	350

January 11, San Francisco, cigars, etc.:

Commercial Union	$2,250

January 22, San Francisco, furniture:

Oakland Home	$275

January 11, Oakland, Cal.:

Svea	$850

January 17, San Francisco, dwelling and furniture:

South British & National	$500

January —, Jackson, Cal., dwelling:

Lion	$285

January 12, San Francisco, brick building:

California	$550
Union, New Zealand	136

January 31, Bloomfield, Cal., hotel and furniture:

Oakland Home	$100

January 20, San Jose, Cal., barn, contents and horses:

Ætna	$150
Liverpool & London & Globe	280

January 26, Santa Clara county, Cal., hay in stacks:

Manufacturers	$400
Grand total	$163,218

CHIPS.

—The San Francisco office of the Ætna Life Insurance Company has been removed to 315 California, a far more central location than the old quarters.

—Here is a piece of news from the *Spectator* of New York: The Pacific Fire Insurance Co. of that city, which "has heretofore declined to do any Coast business," has "recently concluded" to establish an agency in this field. If the *Spectator* will consult a REVIEW chart it will discover that the Pacific has been doing business on this Coast for four years only.

—The United States branches of the Lion and the Scottish Union & National, under the management of M. Bennett, Jr., show a profit of some $60,000, and a gain in income over all losses and expenses of $122,000, of which $70,000 was made by the Scottish Union, and $52,000 by the Lion. After remitting to the Scottish $5,000, and marking down government bonds $8,100, the American assets of the company still show a gain of over $35,000, and a gain of $23,000 in net surplus. The fact that both companies made about the same profit eliminates in a great measure the element of chance in the result, and places the credit with a careful and conservative management, aided by the loyal co-operation of agents. From a cable dispatch it is learned that the home office statement of the Lion will show, besides a handsome increase in its premium income, a large reduction in the loss and expense ratio.

—Wm. J. Dutton, Ed. E Potter, and L. B. Edwards, have gone East on business connected with their respective companies.

—O. N. Hall, special with the Scottish Union, left this city last week for a three months' trip through Oregon and Washington Territory.

—Some Munchausen of the press has originated this story: The detectives of Cleveland shadowed a well-known Socialist from Chicago. He was at last seen to go into a drug store and write out a prescription, which was filled. The detectives secured it and had it again made up, the result being a colorless mixture. This was applied to a door-panel and also to a piece of paper. It left no stain, but in half an hour it began to blaze. This suggested the methods of the man, who could easily sprinkle his liquid over a heap of rubbish, or on a pile of lumber, and be two miles away before the fire would break out. If the dailies employed no professional liar they would not be half so enterprising.

—With one or two exceptions, all fire insurance companies reporting to the New York insurance department have sent in their returns for the year 1884. The average loss ratio of all companies is 54 per cent., and the average expense ratio 36.8 per cent. Or, in other words, fire insurance companies, as a whole, have paid out eight-tenths of one per cent. more than their premium incomes in losses and expenses. Divided by groups, the New York companies lost 57.9 per cent. of their fire premiums, the other State companies 65.4 per cent., and the United States branches of foreign companies 68.8 per cent.; the expense ratio of the New York companies was 40.7 per cent., of the other State companies 37.2 per cent., and of the foreign companies 32.5 per cent. The New York companies took about two and one-half millions more in premiums than in 1883, and the losses increased nearly the same amount. The assets fell off about a million of dollars, and there was a very extraordinary reduction of surplus. The official figures will soon be out, but, in the main, the results indicated by the tables published will probably be substantiated.—*N. Y. Chronicle.*

—The office of the Scottish Union & National, and the National of Hartford, will be removed to 217 Sansome, on or about the 20th inst.

—Back numbers of the COAST REVIEW from vol. I to vol. IX, are wanted by one of our subscribers, who will pay a fair price for the same.

—Messrs. Howell & Abbott, general agents of the Northwestern Mutual Life Association, have dissolved partnership. Mr. Abbott continues the business as general agent of the company. Under Mr. Abbott's management, the interests of the Northwestern Mutual Life will be properly looked after in this field.

—An indiscreet general agent of an Eastern co-operative declared, in the REVIEW office a few days ago, that the co operatives expected to secure very favorable legislation at Sacramento, "for they have plenty of money." If they paid their policies in full, they would not have near so much money to use as a corruption fund.

—A policy for $2,500, taken out in 1853, granted by the Mutual Life, the annual premium being $52.52, or $20.90 per $1,000, in 1883 had grown by virtue of dividend accessions to the sum of $5,518.90, making the rate per $1,000 for that year $9.50, which seems to illustrate the certain and accumulative operation of regular life insurance, marked by the continuous increase of the amount of insurance and the decrease of the cost. It is, therefore, the reverse of co-operative assessment life insurance, which plan is cheap at starting, with a constantly increasing cost and diminishing amount of insurance, making its collapse certain in the end by the increase of assessments through augmented mortality until they grow intolerable to healthy lives and drive them out, and by the retention only of the decaying and moribund, leaving the persistent certificate-holder nothing finally but a liability for unpaid assessments or the debts of the concern, which the law obliges him to pay, although he has made nothing by it; lost every cent he has paid into it, and by reason of its failure cannot receive a cent from it.—*Insurance Times.*

—The Handy Assurance Guide is a useful life insurance chart published quarterly at Liverpool by Wm. Bourne. Price, threepence.

—The affairs of the Pacific Union are progressing generally to the satisfaction of all. Messrs. Magill and Geo. Marcus & Co. are still on the outer side of the organization, notwithstanding numerous conferences for the purpose of harmonizing differences.

—At a recent meeting of the Compact Association of the Northwest, of which Mr. A. E. Magill is President, a member suggested that, if in order, it would be well to consider the proposition of merging the Pacific Union in the former organization. The Chair, Mr. Magill, said he could see no objections. A pointed though humorous discussion followed, until the good nature of those present relieved the growing embarrassment of the Chair by dismissing the topic, with a motion to adjourn.

—A valued policy bill of the stereotyped form recently passed the Legislature of Idaho Territory, and at the present writing awaits the pleasure of the Governor. At a meeting of the representatives of more than one hundred companies, in this city, a resolution was passed to the effect that they will write no risks on buildings in that benighted Territory if the bill becomes a law. This resolution was telegraphed to the Governor. For the sake of the property owners up there it is to be hoped that that official is a man of common sense, and will therefore pocket the bill. Of a similar bill Governor Cornell of New York said, in explaining his veto: "It will tend to increase the crime of arson; to encourage the perpetration of frauds; to greatly and improperly enhance the amount of losses to be paid by insurance companies, and lead not only to a degradation of public morals, but also to an increase of the burdens of honest citizens, by involving their property more frequently in destruction by fires caused by incendiaries, and by making it necessary to pay such greatly increased rates of premium for insurance as will be required under such circumstances to pay the increased losses."

—A. J. Wetzlar, for several years engaged in the insurance business in Sacramento and this city, as local and special agent, has issued his cards as insurance adjuster, with office at Home Mutual Insurance Co.

—The Union Central Life Ins. Co., of Cincinnati, will soon enter this field. Messrs. Hatch & McDonald, who have been appointed general agents of the company for California, are looking the ground over and will soon be ready for business.

—The following companies have retired since January 1:

	Capital.
Germania, Newark, N. J.. re-insured by German American, N. Y.	$200,000
Merchants, St. Joseph, Mo , re-insured by Connecticut	200,000
Cedar Rapids, Cedar Rapids, Ia	100,000
Franklin & Emporium	200,000
Manufacturers	500,000

—In a circular dated Jan. 8, 1885, Auditor Brown, Insurance Superintendent of Iowa, says: "The officers, managers and agents of all associations that carry the brand of dishonesty upon their face by assuming to furnish indemnity that the law does not authorize, are justly entitled to the condemnation rather than the support of the public." Every speculative co-operative doing business in California carries this brand of dishonesty.

—The Home Ins. Co. of New York has instructed its Texas agent not to write any risks on buildings hereafter, unless the Legislature repeals the law requiring companies to pay the full value of a policy on a burned building without reference to the value of the building. Other companies have instructed their agents to the same effect. Recently a case was tried where plaintiff had insured for $4,000 a building that cost only $3,000, and could be replaced for that sum. The United States District Court ordered the jury to find for the full amount, basing the order on the Texas law. Evidently, the men who passed that law were of opinion that Texas property-holders will not tell the truth when they apply for insurance, and sought to check their mendacity by requiring insurance companies to be expert judges of values.

—A. C. Vogel, of Los Angeles, has been appointed special agent and adjuster of the Connecticut Fire Insurance Co. for Southern California and Arizona.

—Geo. H. Ashton, special with Jos. C. Jennings & Co's agency, has been employed by Mr. Macdonald as special agent and adjuster for the Connecticut. Mr. Ashton is an energetic and popular special, and has made many friends throughout the Coast.

—Jos. Bachman, formerly of Portland, Or., is located in San Francisco, and is connected with the city department of the Connecticut Fire Ins. Co. as city agent. Joe is an exceptionally good solicitor, and the city business of the Connecticut may therefore be expected to increase considerably.

—The annual meeting of the Underwriters' Asssociation of the Pacific will be held on Tuesday, February 16th, in this city. It is President Sexton's desire that the Chairmen of the several committees will have their papers prepared on the topics assigned them. It is expected that every one will have a paper that is an "honor to himself and a credit to the Association." Col. Kinne, editor of the *Knapsack*, also desires short and spicy contributions from whomsoever the spirit moveth. The Dinner Committee, Messrs. Spencer, Grant and Hunt, announce that the annual dinner will be given in the evening, at the Maison Doré.

—We notice in a Seattle daily the advertisement of E. H. Webb, who represents the Howard and New York Bowery. Business is solicited on the ground that these companies are not members of the Compact Association of the Northwest. A local notice in the same paper reads as follows: "E. H. Webb has two companies outside of the Compact, with which he is doing considerable business in the way of fire insurance at reduced rates" To say the least, this is in bad taste, and reflects upon the good judgment of Mr. Webb. It is bad enough to be outside the Compact; worse to accept fire insurance at reduced rates (especially in Washington Territory), and still worse to advertise it.

—The Lloyds Plate Glass Insurance Company is about to enter this State.

—W. J. Dingee has been appointed Oakland agent of the Union Insurance Company of this city, *vice* E. Bigelow.

—A bill has been introduced in the Assembly of this State providing for the amendment of section 419 of the Civil Code. It is proposed to require of all foreign fire insurance companies a deposit of $200,000 with the duly authorized official of some State.

—Following is a list of the losses by fire in several of the principal cities in the Union, last year:

	Fires.	Losses.
New York	2,381	$3,469,539
Philadelphia	881	2,254,412
St. Louis	692	1,469,069
Chicago	961	1,311,956
Cincinnati	469	1,387,569
Baltimore	388	617,372
New Orleans	164	776,078
Milwaukee		736,866
San Francisco	227	564,610

The Cincinnati losses do not include the riot fires.

—Business with the speculative co-operatives on this Coast was bad last year, a fact that accounts for the freedom from foreign nvasion by these parasitical pests. The record made in the Eastern States has preceded them, and this bad reputation has been supplemented by failures, and swindles and litigation among the hat-passers in this field. Besides, the speculative schemers find it up-hill work competing with the fraternal societies, which are the only fairly conducted assessment insurance associations.

—Two ladies were around, a day or two ago, soliciting aid for the widow of a captain of a steamer, who died recently and left his family in destitute circumstances. The deceased was in receipt of a liberal salary, yet never made the provision for his dependents that he could so easily have done through life insurance. The sequel of his wicked neglect is a wretched family, dependent on the cold charity of the world. Similar cases occur every day, but uninsured heads of families are as unconcerned as though they were invulnerable to the "slings and arrows" of death, disease, and bad fortune.

—A. B. Forbes visited New York last month.

—Mary Anderson, the actress, carries $100,000 insurance on her life.

—C. P. Farnfield, general agent of the Union of San Francisco, returned last week from a three-months' trip through the Eastern and Southern States.

—J. D. Maxwell has been appointed special agent for the Oakland Home Insurance Co. Mr. Maxwell has been engaged in the insurance business in Iowa for ten years, and arrived in California about a year ago. He has occupied the positions of local, State, and special agents, and comes to the Coast highly recommended by his former confreres.

—Annie and Alfred Eislen have sued the American Eagle Association of San Francisco on one of its policies for $2,000. There are many other unpaid policies. The affairs of this hat passer have been going from bad to worse very rapidly during the past few months, and it is evident that the collapse is near at hand. Two years ago the REVIEW and the San Francisco *Chronicle* published full exposés of this American Eagle humbug, and warned the public against it. The managers have swindled a great many ignorant poor people, in the country especially. The Bank of California is advertised as "the depository of the association," but the bank officers say they have no funds belonging to the American Eagle. The attention of the Legislature is invited to this petty fraud as a fair specimen of the speculative co-operatives which the bills of Messrs. Lynch and Jordan propose to allow to do business in this State. Such concerns are worse than lotteries, which the law prohibits They are far worse, for they not only filch more money from the scant earnings of the poor, but they leave many disappointed beneficiaries utterly destitute, who might otherwise have been well provided for by insurance in the fraternal societies, or, better, in the regular life insurance companies. The existence of all institutions like the American Eagle, the Home Benefit, the Youths' Mutual Endowment, the Great Western Aid and the Texas Self-Endowment is contrary to public policy.

—Since H. B. No. 18 of the Oregon Legislature was printed in the REVIEW it has been amended, making the fee $100 instead of $750. A correspondent writes that the bill will probably pass as amended.

—Capt. J. W. Howell, lately with the general agency of the Northwestern Mutual Life, will early resume the business as general agent of another prominent Eastern company, the name of which we are not at liberty to mention at present. Mr. Howell is an energetic worker, and whatever company he repre ents will hear from him frequently.

—The Oakland Home Insurance Company have just got out a handsome picture of their handsome building at the corner of Washington and Ninth streets in Oakland. The structure is four stories in height, and is surmounted by an ornamental façade and a graceful observatory. The gallery of the COAST REVIEW now contains this latest gem of insurance art, and all the other pictures hide their diminished heads in becoming humility.

—The San Francisco Board of Brokers, composed of forty brokers of the better class, was organized in this city last month, and officers were elected as follows: J. B. F. Davis, President; Geo. H. Foster, 1st Vice-President; Camilo Martin, 2d Vice-President; J. C. Mitchell, Secretary; G. M. Mitchell, Assistant Secretary; J. Manheim, Treasurer; J. C. Mitchell, Geo. H. Foster and Camilo Martin, Executive Committee. It is the special purpose of the new organization to promote the interests of its members by promoting the interests of the Pacific Insurance Union. The Union, it will be remembered, has by-laws regulating brokers. The Board of Brokers admit to membership only men who make a specialty of soliciting fire insurance, This provision excludes bookkeepers, clerks, etc ; and a host of brothers-in-laws and others who secure occasional risks through favoritism. Respectable brokers generally are anxious to co-operate with the Union. This new organization should meet with the cordial encouragement and co-operation of the officers of the Pacific Insurance Union.

—The co-operatives ought to use as a s gn a copy of one that a ready-made clothing establishment in one part of Paris posted in the window: "Do not go somewhere else to be robbed. Walk in here."—*Argus.*

—Messrs. Geo. Dornin and L. L. Bromwell are looking after insurance legislation at Sacramento. These gentlemen represent the interest of all the fire companies here, and as they have had a large experience in that line, we have good faith in their ability to prevent the enactment of hostile legislation like the Dougherty and other cinch and embarrassing bills.

—Attention is called to an excellent bill for the detection and punishment of incendiarism, printed elsewhere. Mr. J. A. Brumsey is the author of the bill, which was recently introduced in the upper house of the Oregon Legislature. Under the provisions of the proposed law any Justice of the Peace is authorized to empanel a fire inquest jury on the c mplaint of a citizen, for the investigation of any suspicious fire.

—A considerable part of the commissions paid to a great number of agents nominally as their compensation, is not kept by these agents at all, and it is not a part of their actual compensation; but it is used to cut rates with; it is given away to the new insurer to induce him to come in. And there are a great many agents who will go at once to parties whom they ascertain or suppose to be considering insurance elsewhere, and bid against each other for the business, by "throwing off commissions." Some of them to do this, divide their compensation with the insured; some of them are paid for their services by a salary, and use a commission allowance simply for the purpose of cutting rates. And so general, and so well understood by the public, has become this mode of competition, that in a great many localities at least, the first question of most men on being solicited is, "How much off?" And with a vast number who do not look beyond the moment, and do not stop to consider that they cannot get a better thing than they pay for, the "How much?" plays a decisive part.—*Jacob L. Greene.*

San Francisco, with a population of a quarter of a million, cost the insurance companies $415,098 last year. This was an average of $1.80 per inhabitant. The insurance losses in Portland during the same time were $337,998, an average of over $16.80 per inhabitant.

—During the recent visit of Gen. Josiah Howell to New York an Australasian Department of the New York Life Insurance Company was established, the headquarters to be at Sydney. This branch was originally organized under the direction and as a part of the Pacific Coast Department, but will hereafter report directly to the head office at New York. Gen. Howell has been appointed manager of the new department, and with his family will sail for Australia on the 17th inst.

—A few of our subscribers who are in arrears have not responded to the bills recently mailed to all subscribers whose accounts have been running one year or more. We are glad to accommodate the delinquents, and will do so any reasonable time; but printers and paper-makers must be paid eventually. Our credit is "fair to middling," but as there are only one or two printing offices in San Francisco large enough to get out the REVIEW, we can't well stave the printer off by pretensions of independence in this respect, nor can we move from office to office as fast as credit is exhausted. But if the delinquents don't come forward pretty soon we shall have to move, for, as is well known, Mr. Spaulding is a thoroughgoing business man who pays his bills promptly. We wish to impress one fact on the minds of subscribers. It is this: The receipt of a subscription bill should be sufficient evidence of the fact that the subscriber is held personally responsible. Occasionally we have a bill returned from some party with the statement that he never subscribed. Yet probably he has received the REVIEW two or three years, and has received subscription bills regularly. This is not strictly honorable. We wish it distinctly understood that we are not sending the REVIEW gratuitously to anybody, and if a company or an agency subscribes for an agent, the subscription bill is not sent to the latter.

—A correspondent writes us that the speculative co-operatives appear to have massed their forces at Los Angeles, where they are working with an energy begotten of the knowledge of the brevity of their career. The Mutual Reserve Fund Life Association of New York is represented, although the managers of that hat-passer have received legal evidence of the fact that the association has no legal authority to do business in this State. But they care as little for law as for the truth.

—We imagine that a great many life insurance solicitors, in canvassing, talk "over the heads" of the men to whom they address their arguments. In other words, their arguments are too technical. It should never be forgotten that both the theoretical and the practical sides of life insurance, considered as a science, are sealed books to the average citizen. The simpler the arguments, the plainer the facts, the humbler the illustrations, the more acceptable is such a presentation of the claims of a company, whether the person addressed is a learned professional man, a plain mechanic or a shrewd merchant. They all are, usually, equally ignorant of the subject of life insurance.

—Assembly Bill No. 399, introduced by Mr. Lovell, is a very impracticable measure which proposes to regulate the payment of dividends and the transfer of stock of fire and marine insurance companies. All companies are to be required to maintain an office in this State where transfers of stock shall be made, and where the books pertaining to such stock shall be kept for inspection by anybody. California companies are to be prohibited from paying dividends in excess of six per cent. per annum until the surplus shall equal the paid-up capital. The third section of this antedeluvian production contains the old-fashioned valued policy provision. Another section of this silly bill forbids the companies to report as assets any money in course of transmission from agents. The insurance companies will make no opposition to Mr. Lovell's bill, as it is one of that numerous class that may be safely trusted to the uninstructed judgment of the most inexperienced legislator.

—The fire losses on this Coast reported to the REVIEW for 1884 were only about $75,000 less than the aggregate reported officially. This represents unreported losses (under $100) of less than four per cent. of the total loss.

—The Cottles are good organizers of mutual fire insurance companies, but they are not good "stayers." The mutuals run smoothly enough for the first year, usually, but when business increases the liabilities accumulate. About that time the Cottles are organizing a new mutual somewhere else. The latest enterprise is the State at Salem, Or.; a semi-mutual. It is nearly time for them to start another in some new section.

—In the Firemans Fund *Record* for February Editor Carpenter, the genial Assistant Secretary of the Firemans Fund Ins. Co., modestly says a few words for himself, as he is certainly justified in doing. The event calling forth his remarks is the closing of the tenth year of his connection with the company, as special first, and thereafter in his present position. During these ten years the assets of the company have more than doubled, and the fire premium receipts of the home department, in which Mr. Carpenter is especially interested, have advanced from $161,940 to $252,297 per annum. For the gains thus steadily made, Mr. Carpenter is entitled to a very liberal share of the general credit.

—Mr. Frazier of the United Fire Inspection, writes: "Hereafter, all half metal covered or other badly constructed, badly hung or fastened fire-doors cannot be favorably noted; and any mere pretense to comply with requirements for safety doors, fire bucket service, or other promised improvements will be disapproved and condemned for our companies. This is issued directly in the interest of the one hundred and twenty insurance companies composing the United Fire Inspection. Your risk is registered and numbered, and is liable to frequent and rigid inspections without notice hereafter, and conditions must be reported to each company exactly as found, and notice is given that losses must be reduced, or insurance rates advanced."

—So many Legislatures being in session, things may be said to have a bill-ious aspect for insurance interests.

—The Philanthropic Sick and Benefit Association, a Boston co-operative fraud, has gone glimmering. Next!

—The Pacific Coast Mutual Endowment and Benevolent Association was recently organized at Santa Rosa. It is a mutual association of idiots, who agree to loan money to each other without and security, without any regard to the borrower's character, and for the privilege of making consummate asses of themselves further agree to pay liberal fees, commissions and salaries to the men who lead them. The new humbug is to be a rival of the Texas "self-endowment" hat-passer. The more the merrier, and the sooner ends the feast.

—It is understood that the Mutual Reserve Fund Life Association (co-operative) of New York is to be represented in the approaching inaugural festivities in Washington. The president of the concern is one of the several hundred ambitious politicians who imagine that they individually turned the scale that secured the "immortal six hundred," and he will therefore insist upon the privilege of a representation in the procession at least, that, like quack medicine men, he may advertise his peculiar brand of quack insurance. Mr. Harper's contribution to the display will be as follows, if we are not misinformed as to the programme: A Man Blowing a Horn. A Picture of E. B. Harper. A Man Carrying an Old Blunderbuss. A Picture of E. B. Harper. Man Riding a Donkey and Carrying this Strange Device: The Cheapest is the Best. A Picture of E. B. Harper. Another Device: The Co-operatives in Ohio Paid 17 per Cent. of Their Obligations in 1882. A Portrait of E. B Harper. Another Strange Device: The Mutual Reserve Fund Life Association. A Picture of E. B. Harper. The *Spectator* Scalp on a Tomahawk. A "Striking" Likeness of E. B. Harper. Another Strange Device: Insurance at Cost. A Picture of E. B. Harper. Man Blowing a Horn. A Large Picture of E. B. Harper. Another Large Picture of E. B. Harper. A Small Picture of Mr. Cleveland.

—The City and Provincial and Anglo-American, two British wildcat companies, with headquarters at Washington, D. C., have collapsed.

—Franz Jacoby & Co., general agents for the Prussian National and Providence-Washington, have removed to the basement of 323 California street, under the old quarters of the Home and Phœnix.

—Referring to the high taxes collected of non-resident companies, the Governor of Michigan, in his message, declares that these taxes are really paid by the insured, and that is unfair to place such a burden on them for the benefit of the uninsured. The Governor's head is level.

—We print elsewhere two tables giving the life, accident, fidelity, steam boiler, and plate glass insurance business transacted in California during 1884. In the aggregate, the life and accident business was a trifle less than for 1883, a difference to be attributed in the main to the hard times prevailing here as elsewhere. The fact that many life companies did a largely increased business is evidence that a more thorough canvass would have made the aggregate business show the same encouraging gains that we recorded just a year ago.

—The "old line" life insurance companies received $1,548,871.16 in premiums from policyholders in this State, last year, and disbursed during the same period, in losses and endowments paid to California claimants, $1,426,340.26, or only $122,530.90 less than was received. The companies therefore returned to policyholders in this State 92.1 per cent. of their premium payments. The co-operatives can show no such record, neither in economy of management nor in benefits conferred. But this is not all. The remaining 7.9 per cent. of the premium payments and a share of the interest earnings have been placed to the general credit of the policyholders, to strengthen the security of their claims and reduce the cost of insurance. The fact is, policyholders in regular life insurance companies do not directly contribute to the payment of the expenses of the business, a portion of the interest earnings being sufficient to meet all such expenses.

THE MUTUAL BENEFIT

Life Insurance Co., of New Jersey. AMZI DODD President.

Assets, Market Value,	$38,615,319 32
Surplus, N. Y. Standard,	5,411,241 50
Paid Policy Holders since Org'n in 1845.	83,672,056 53

Economical, Liberal, Conservative; No Fine Print Conditions in Policy Form.

After Third Year, Policies incontestable except for Intentional Fraud. No restriction as to Travel or Occupation.

Cash Loans made at any time up to Half the Value of Assignable Policies.

LOSSES PAID IMMEDIATELY on COMPLETION and APPROVAL OF PROOFS

ALL POLICIES NON-FORFEITABLE AFTER SECOND YEAR,

Thus, a Person insuring at age 35 on the Annual Life Plan is entitled to

Over **4** Years' Insurance for **2** Years' Premiums.

Over **10** Years' Insurance for **5** Years' Premiums.

Over **20** Years' Insurance for **10** Years' Premiums.

JAMES MUNSELL, JR.

AGENT FOR PACIFIC COAST,

415 Montgomery Street, SAN FRANCISCO.

— THE —

Mutual Benefit

LIFE INSURANCE COMPANY,

OF NEW JERSEY

Will not assume risks known to be extra hazardous; but if the insured keeps within the reasonable restrictions of his policy for the first three years, he is then

ABSOLUTELY FREE

To Travel When and Where He Pleases, or to Engage In any Occupation Whatever,

Without having to ask permission from the Company and without extra charge, excepting only for army and navy service, in which case a permit is required.

The special hazards incurred by the Company under the above liberal provisions are regarded as coming within the legitimate risks of a life time, and the

ADVANTAGE TO THE POLICY HOLDER

In being freed from the annoyance and restraint of the ordinary form of life policy and its liability to forfeiture, is too striking to require comment.

The Company's plans and methods of business are free from all annoying technicalities, and offer to every member the utmost advantage consistent with safe and fair principles.

PREMIUM LOANS.

To such as desire insurance with the least possible outlay of cash, the Company offers the privilege of the **30 Per Cent. Loan Plan.** Under this plan, the Company **Agrees** to accept a **Uniform Cash Premium of 70 Per Cent. of the Full Rate**, the remaining 30 per cent. being charged against the policy as a loan to be met by dividends, or to be deducted from the face of the policy at death, if it should not previously have been paid off in cash or by dividends.

(See other side.)

James Munsell, Jr.,

AGENT FOR PACIFIC COAST,

415 MONTGOMERY ST., SAN FRANCISCO.

—There are 825 licensed brokers in Massachusetts.

—Mr. J. W. Irons has been appointed agent for the National Assurance Company of Ireland, at Salt Lake City.

—One per cent. of the population of Connecticut is over 80 years old. Two-thirds of these old folks are women. Only eight of the twenty centenarians are men. Nutmeg diet must be favorable to longevity, but it may be so because the nutmegs were wooden.

—Supreme Treasurer Breckenridge, of the Knights of Honor, retains a firm grip on the $150,000 belonging to the society. The other day a claimant presented an official order for $2,000 benefit on the life of James Tooey, but Breckenridge refused to pay it. Tooey was a member of the society at El Paso, Texas. A very queer sort of insurance is that of the Knights of Honor.

—A member of the Legislature was seized with a violent fit of laughter, the other day. He was taken to his room and medical aid summoned, but the unfortunate man passed from one convulsion of laughter to another until midnight. For a time his life was despaired of, but finally exhausted nature came to the relief of the patient and he sank into a peaceful slumber. The afflicted member, who is a lawyer and knows a thing or two about insurance, had read Senate Bill No. 26, introduced by Mr. Lynch in the interest of the Home Benefit Association of San Francisco.

—An old Wisconsin lumberman writes to the *Northwestern Lumberman* an account of his unhappy experience with "underground" insurance. To save in premiums he obtained his insurance through Chicago brokers with companies all over the country. A fire occurred, but the companies refused to pay the loss, after submitting it to an arbitration. The lumberman has therefore been forced to begin suit "all over the country" at the home offices of the companies, much to his cost, annoyance and inconvenience. The fire occurred more than a year ago, but the suits are still pending. He warns his fellow lumbermen to avoid underground insurance.

—A nineteen-thousand dollar fire in Baltimore was the result of an attempt to quench a fire with hand-grenades. The fire started in a wooden partition, and was discovered by the watchman when a bucket of water would easily have extinguished it; but he was anxious to test the wonderful grenades. Another failure of the grenades occurred at Fonda, N. Y.

—The St. John's Home fire in Brooklyn originated in the laundry from a lighted candle in the hands of a small boy. A towel on a rack caught fire as the lad was peering about in search of a pair of dry socks. Yet Mr. Dargan thinks the coal-oil lamp is a worse incendiary than the flaming torch yclept the candle. The building was insured for thirty cents for three years.

—A New York confidence man is victimizing country insurance agents by representing himself as a special agent, and getting forged checks cashed. He first shows a telegram to the effect that the check has been forwarded. The check is mailed in the company's printed envelopes, and being directed in care of the victim the envelope is opened in his presence. With such evidence for the new "special" any possible suspicion in the mind of the local is allayed.

—There is an old hotel in New Haven, Conn., called the Tontine Hotel. It is the principal hotel in the city. It was built in 1826 by a company organized under Tontine principles. The fifty subscribers fixed a nominee for each $100 share. The nominee held no stock, but at his death the share represented by his name was extinguished. When the original nominees are reduced to seven the property will be divided into seven parts and distributed equally among the shareholders who are represented by the surviving nominees. At the present valuation each part would be worth $14,286. The shares are now worth about $175, the value varying according to the health of the nominee. In 1883 the dividend was 22 per cent. Of the 243 nominees originally chosen 113 are still living.

—Last year there were 842 suicides in this country, of whom 155 were females.

—The co-operatives fought Auditor Brown, of Iowa. He ran only 434 votes ahead of his ticket. The political influence of the co-operatives works the wrong way.

—The capital of the Union Insurance Company of Philadelphia has been reduced from $1,000,000 to $500,000, owing, it is announced, mainly to losses through the fraudulent transactions of one of the company's agents at Buffalo, N. Y.

—Myron Walker, formerly of this city, where he was secretary of the Trust Fund Insurance Association, is now a member of the upper house of the Massachusetts Legislature. San Franciscans will enjoy the statement of the *Weekly Underwriter* that Walker has retired from active business on "the fortune he has made."

—The Sun Insurance Company, of this city, has organized a branch department at Los Angeles, and for its local board and officers has secured the following well-known gentlemen, viz: E. F. Spence, S. H. Mott, G. Wiley Wells, C. H. Bradley, C. F. Harper and C. W. Gibson. E. F. Spence, President; First National Bank, Treasurer; G. E. Brand, Manager District Southern California; Isaac S. Smith, local agent.

—We print in full elsewhere the decision of the Supreme Court of the State in the case of McCormick & Delanoy *vs.* The Springfield F. & M. Insurance Company. The action is one of considerable local interest. The plaintiffs contended that defendant-company was estopped from asserting that they were not the only absolute and unconditional owners of the property, because of certain acts occurring after the fire. The question of waiver was dismissed because the alleged waiver was not endorsed on the policy, as required. The lower Court sustained the position of plaintiffs, basing such decision on a New York opinion. Fortunately for fire insurance interests, this decision has been overruled by the Supreme Court. It would be disastrous if a waiver of any of the prime conditions of a policy could be so easily established.

—Hiram A. Spruance is Colorado's new Insurance Commissioner and Auditor of State.

—M. V. McGaffey, of Watsonville, Cal., was recently appointed local agent for the Lion, Orient and Washington fire insurance companies.

—A singular suicide was that of a German in Oregon, a prosperous farmer, who was afflicted with a cataract in one eye. He made a business-like will, dug his grave, hoisted a black flag in front of his house, went to bed and then deliberately shot himself.

—Superintendent McCall and Commissioner Tarbox will not require the names and addresses of all unadjusted loss claims in the annual statements made by companies, the resolution of the last Insurance Commissioners' convention to the contrary notwithstanding.

—A Passed Dividend and A Rapidly Diminishing Surplus, hurrying along Broadway, regarded with Terror An Impaired Capital coming towards them. To avoid an awful Encounter they rushed into the telegraph building and called on the Phenix, which hospitable fowl, politely rising from its ashes, fanned their perspiring perturbation softly with its wings and Wholly Reassured them. *Insurance.*

—The Manufacturers' Fire and Marine Insurance Co., of Boston, has reinsured its outstanding risks and will wind up its affairs. The fire risks were reinsured by the Phœnix Assurance, of London, and the marine and inland risks by the Providence-Washington and the British and Foreign and Marine. The Manufacturers' was organized in 1873, after the Boston fire had burned out the old company of that name. The cash capital was $500,000 and the assets were over a million at the date of last report. Under the management of the new president, Samuel Appleton, the Manufacturers' did a successful business in 1882 and 1883; but the company's experience during the past year was exceptionally unlucky in the matter of losses, the losses and expenses being about $50,000 in excess of the total income.

—Jimmy McGuire, a Portland, Or., firebug, has been sentenced to seven and one-half years in the penitentiary.

—The pressing need of the hour is an insurance company that will guarantee the payment of co-operative policies. The guaranteeing company should have a billion capital.

—Supt. McCall examined the Franklin & Emporium, of New York, and finding evidences of crookedness ordered the company to wind up its affairs. The U. S. bonds reported as belonging to the company were not in its possession.

—"Father," said the charming daughter of a wealthy San Franciscan, "I have promised to be the wife of ——" "The plumber?" joyfully interrupted the delighted parent. "No—better still," replied his blushing offspring; "I'm engaged to the insurance broker." They will build on Nob Hill in "the glad spring-time."—*Adapted from the Yankee.*

—A Stockton correspondent writes as follows: "The insurance business here is at a very low ebb, rates being ruinously low, yet many of the companies appear anxious for the business at any rate. With our narrow streets and short water supply any fire is liable to prove disastrous, and then these cheap fellows will wish they hadn't. Some men may learn but not profit by sad experience."

—The learned lexicographer who edits the "fraternal" department of the *Call* favors his readers with the information that associations with "mutual aid features" simply are not "fraternal" societies. Mutual relief associations, according to his definition, are not "fraternal societies" unless the members wear plumes, sashes, swords, aprons and brass ornaments, parade the streets, practice meaningless ceremonies, bestow upon their officers long, ridiculous titles, and in farcical ways, "too numerous to mention," proclaim to the thoughtful that although grown men the members of such societies have not yet passed the toy-loving stage of the mind's growth. Briefly, the *Call* writer says "fraternal" means "foolish."

—A company has been organized to adjust losses in New York and vicinity.

—Alfred Carr, an old insurance man, has been appointed Insurance Commissioner of Missouri.

—Incendiary fires by prohibition zealots in certain Western communities have resulted in an increase of rates on breweries, distilleries, etc.

—A Boston mutual, which repeatedly sends out warnings to members on the subject of lanterns, finds that its losses from that source have greatly decreased since the reminders were sent out. Before, the losses which could be attributed with reasonable certainty to the breaking of lanterns amounted to over $240,000.

—The writer saw a subscriber remove the wrapper from his COAST REVIEW, the other day. It was done so laboriously and awkwardly that, lest there are other subscribers who experience the same difficulty, we venture to suggest a simple way to remove the wrapper expeditiously and without injury to the book. Run the point of the blade of a pen-knife from end to end over the edges of the leaves, and the book will open in your hand without leaving a trace of the knife on the leaves.

—Anent co-operative life insurance, an Indiana paper tells a good story. A young man of a speculative turn of mind insured the life of his aged and invalid father in a graveyard insurance company. The old man "held on" with exasperating tenacity, but his affectionate son paid the assessments promptly. At last the "insured" died, and the son notified the company of his death, and added in a postscript to the letter that he hoped there would be as much promptness in paying the loss as had been exhibited in remitting to the treasurer the sums called for by the numerous assessments. In a few days an answer was received by the son and heir which read as follows: "It is with much pain and sorrow I learn of the death of your esteemed parent. I shall now have to go to sawing wood for a living as he was my sole support for several months. I can fully sympathize with you in your great bereavement."

—The Ætna Life has withdrawn from Missouri.

—The total marine losses on the Great Lakes during 1884 are estimated at $1,500,000, or twice the amount for 1883.

—During 1884, the Denver, Col,, Fire Department responded to 144 alarms of fire. Total loss $80,960; insurance loss $72,242; insurance involved, $553,468.

—President Green, of the Connecticut Mutual Life Insurance Company, replies to a letter from Stephen English in relation to certain attacks made on the company through the columns of the *Insurance Times*. It is simply fair to say that Mr. Greene's reply strikes Stephen "right between the eyes" and leaves the journalistic gladiator *lying* in a most ludicrous way. Mr. English's admission in the famous libel suit brought against him by Mr. Hope, of the Continental, is given in full at the close of Mr. Greene's reply.

—We make grievous mistakes once in a while. For instance, we announce that J. M. Snooks, the popular adjuster of Box & Cox's agency, visited Dom Pedro and vicinity and adjusted two losses with neatness and dispatch, and convinced one claimant that there had been no fire. We should have said J. L. instead of J. M. Snooks, and Mr. Snooks calls with a frown on his usually smiling face and complains with suppressed bitterness. In the hurry of going to press a name is omitted, or some unimportant figure changes place with its fellow, or a statement is made whereby some cross-eyed seeker of ambiguities may draw a wrong construction. We sympathize with Tom, Dick and Harry, who, poor sensitive souls, are greatly distressed by these little errors; but, bless you, we are not a bit sorry. No, for it is through these mistakes that we receive the most satisfactory evidence of the fact that the REVIEW is read from cover to cover. Its contents might be never so interesting, never so varied, never so accurate, and never a word of commendation would be heard. Fortunately, "mistakes will happen" in the best regulated editorial and printing offices.

—W. H. Hill, formerly of Virginia City, Nev., is now of Vacaville, Cal.

—At Salem, Or., there is a very little fire insurance company with a very stately name—to wit, the State Insurance Company. It is in the main the enterprise of H. W. Cottle, the secretary, who was lately connected with the Washington of New Tacoma, W. T., an erstwhile mutual. The first annual statement of Mr. Cottle's new venture is before us, and it is a document deserving some attention. The statement is a remarkable effort, for it assuredly disproves the old adage that "figures do not lie." The assests, which include the nominal capital of $100,000, are made to appear to be $145,756. These assets are summarized with suspicious indefiniteness. The statement in this respect is certainly unsatisfactory. For example, $26,240 is invested in "loans on bonds, mortgages and *other securities*. That is not a business-like statement. In "bills receivable, taken for fire risks," $47,830, including interest due, of the alleged assets, is invested. Fifty thousand dollars more is "stock held in reserve," or unpaid capital. In other words, $97,830 of the assets is in the pockets of stockholders and policy holders. This, less "personal property and office furniture" and all liabilities, would leave only $16,986 in "available funds" wherewith to pay losses. It is no wonder that the State Insurance Company restricts its business to the rural districts. The company could get no risks of business men, who demand good security, and cannot be gulled by such a company. As the State Insurance Company does business on credit and has a paid up capital of only $50,000, its career will necessarily be a short one.

NOTICE.

THE NATIONAL ASSURANCE COMPANY OF IRELAND having reinsured the outstanding risks of the London and Northwestern Fire Insurance Company of Manchester, all losses occurring under their Policies, on and after Dec. 10th, 1884, must be reported to and will be adjusted by the undersigned.

H. M. NEWHALL & CO.

General Agents National Assurance Company of Ireland, 309 Sansome St., San Francisco.

Tabular Statement of Pacific Coast and United States Fire Insurance Business

FOR THE YEAR ENDING DECEMBER 31, 1884

NAME OF COMPANY	LOCATION	CAPITAL AS PAID UP OR DEPOSIT	CALIFORNIA BUSINESS			TOTAL PACIFIC COAST BUSINESS			TOTAL UNITED STATES BUSINESS.		
			FIRE PREMIUMS	LOSSES PAID	RATIO OF LOSSES TO PREMIUMS	FIRE PREMIUMS	LOSSES PAID	RATIO OF LOSSES TO PREMIUMS	FIRE PREMIUMS	LOSSES PAID	RATIO OF LOSSES TO PREMIUMS
CALIFORNIA COMPANIES											
California	San Francisco	$300,000	$87,457	$50,127	57.3	$243,147	$127,1	51.3	$2,[illegible]	$1,[illegible]	5.1
Continental	San Francisco	200,000	17,[illegible]	8,[illegible]	50.8	1,[illegible]	7,[illegible]	50.0	[illegible]	[illegible]	7.1
Fireman's Fund	San Francisco	1,000,000	1,[illegible]	51	2.7	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1
Home Mutual	San Francisco	400,000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occidental Home	Oakland	250,000	1,[illegible]	[illegible]	50	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
State Investment	San Francisco	200,000	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Stone	San Francisco	200,000	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Union	San Francisco	400,000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Western	San Francisco	1,000,000	144,[illegible]	40,[illegible]	28.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total		$4,000,000	$[illegible],[illegible]	$[illegible],[illegible]	32.2	$[illegible],[illegible]	$[illegible],[illegible]	41.9	[illegible]	[illegible]	34.6
OTHER STATE COMPANIES											
Ætna	Hartford	$[illegible],[illegible]	$[illegible],[illegible]	$[illegible],[illegible]	22.1	$[illegible],[illegible]	$[illegible],[illegible]	5.4	$[illegible],[illegible]	$[illegible],[illegible]	57.0
Agricultural	Watertown, N.Y.	1,[illegible]	2,[illegible]	1,[illegible]	48.7	[illegible]	[illegible]	42.0	[illegible]	[illegible]	41.9
Allemannia	Pittsburgh	3,[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1
Alliance	Cincinnati	1,[illegible]	[illegible]	[illegible]	48.8	[illegible]	[illegible]	31.1	[illegible]	[illegible]	71.5
American	Newark	2,[illegible]	[illegible]	[illegible]	10.0	[illegible]	[illegible]	11.9	[illegible]	[illegible]	41.1
American Central	St. Louis	[illegible]	[illegible]	[illegible]	0.2	[illegible]	[illegible]	0.7	[illegible]	[illegible]	54.0
American Fire	Philadelphia	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	54.9
Boatmen's	St. Louis	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0.3
Brooklyn Underwriters	New York	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0.3
Citizens'	St. Louis	[illegible]	[illegible]	[illegible]	4.8	[illegible]	[illegible]	11.1	[illegible]	[illegible]	29.0
Commercial Fire	Hartford	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	47.1
Commercial Mutual	Hartford	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Continental	New York	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Farragut	New York	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fire Association	Philadelphia	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Firemen's	Baltimore	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Firemen's	Memphis	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Franklin	Philadelphia	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
German	New York	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
German American	New York	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
German Fire	Peoria, Ill.	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Germania	New York	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Girard	Philadelphia	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Glens Falls	Glens Falls, N.Y.	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hartford	Hartford	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Home	New York	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hoffman	New York	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Imperial	Montreal	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Insurance Co. of North America	Philadelphia	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ins. Co. of State of Penn.	Philadelphia	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Lion	Hartford	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Manufacturers	Boston	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Manhattan	New York	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mechanic	Newark, N.J.	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
National	Hartford	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
National Fire	New York	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
New Hampshire Fire	Manchester, N.H.	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
New England Fire Assn.	Boston	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
N. Y. Underwriters Agency	New York	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Niagara	New York	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Northern Assurance	London	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oregon	Portland, Or.	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Orient	Hartford	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Pacific	New York	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Peoples	Pittsburgh	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Pennsylvania Fire	Philadelphia	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Phenix	Brooklyn	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Phenix of Hartford	Hartford	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Phenix of Washington	Providence, R. I.	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Republic	New York	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Security	New Haven	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Springfield Fire	Massachusetts	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Star Fire	New York	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
St. Paul	Minnesota	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Traders	Chicago	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Union	Philadelphia	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
United States	New York	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Washington	Boston	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Williamsburg City	New York	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total		$[illegible],[illegible]	$[illegible],[illegible]	$[illegible],[illegible]	26.9	$[illegible],[illegible]	$[illegible],[illegible]	35.5	$[illegible],[illegible]	$[illegible],[illegible]	39.6
FOREIGN COMPANIES											
British America	Toronto	$[illegible]	$[illegible]	$[illegible]	58.7	[illegible]	[illegible]	54.7	[illegible]	[illegible]	45.3
City of London	London	[illegible]	[illegible]	[illegible]	58.0	[illegible]	[illegible]	61.2	[illegible]	[illegible]	69.3
Commercial Union	London	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1
Fire Insurance Association	London	[illegible]	[illegible]	[illegible]	37.0	[illegible]	[illegible]	0.1	[illegible]	[illegible]	55.4
Guardian	London	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1	[illegible]	[illegible]	64.4
Hamburg-Bremen	Hamburg	[illegible]	[illegible]	[illegible]	21.4	[illegible]	[illegible]	0.1	[illegible]	[illegible]	51.7
Hamburg-Magdeburg	Hamburg	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1	[illegible]	[illegible]	41.4
Helvetia Swiss Fire	Switzerland	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.3
Imperial	England	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1	[illegible]	[illegible]	67.8
Liverpool & London & Globe	England	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1
Liverpool & London & Globe	Liverpool	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1
Lloyds Fire	London	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1
Northern	England	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1
Queen	England	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1
Royal	England	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1
Scottish Union & National	Edinburgh	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1
South British and National	New Zealand	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1
Svea	Gothenburg	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1
Transatlantic Fire	Hamburgh	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1
Union	New Zealand	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1
United Fire Insurance Co.	Manchester	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1
Western Assurance	Toronto	[illegible]	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1	[illegible]	[illegible]	0.1
Total		$[illegible],[illegible]	$[illegible],[illegible]	$[illegible],[illegible]	37.9	$[illegible],[illegible]	$[illegible],[illegible]	38.5	$[illegible],[illegible]	$[illegible],[illegible]	39.4
Grand Totals for 1884		$[illegible],[illegible]	[illegible],[illegible]	[illegible],[illegible]	28.5	[illegible],[illegible]	[illegible],[illegible]	37.3	$[illegible],[illegible]	$[illegible],[illegible]	43.5
" " " 1883		[illegible]	[illegible]	[illegible]	28.8	[illegible]	[illegible]	38.4			
" " " 1882		[illegible]	[illegible]	[illegible]	30.2	[illegible]	[illegible]	40.1			
" " " 1881		[illegible]	[illegible]	[illegible]	32.5	[illegible]	[illegible]	42.1			
" " " 1880		[illegible]	[illegible]	[illegible]	32.6	[illegible]	[illegible]	45.9			
" " " 1879		[illegible]	[illegible]	[illegible]	32.1						
" " " 1878		[illegible]	[illegible]	[illegible]	29.3						
" " " 1877		[illegible]	[illegible]	[illegible]	30.2						
" " " 1876		[illegible]	[illegible]	[illegible]	30.1						
" " " 1875		[illegible]	[illegible]	[illegible]	30.0						
" " " 1874		[illegible]	[illegible]	[illegible]	29.0						
" " " 1873		[illegible]	[illegible]	[illegible]	28.0						

* Entered the field after July 1, 1884.

COAST REVIEW.

A MONTHLY JOURNAL, DEVOTED TO FIRE, MARINE, LIFE AND ACCIDENT INSURANCE.

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(Take the Elevator.)

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FIRE.

AN OREGON U. S. CIRCUIT COURT DECISION—SUIT TO REFORM A POLICY—SUIT NOT DEBARRED BY DELAY—INSURANCE IN THE NAME OF A COMPANY.—Suit was brought to reform a policy of insurance issued by defendant on a new building to be occupied as a grain warehouse, known as the Dayton Mills Warehouse, and owned by five persons composing the Dayton Flouring Mills Company. The loss was payable to Liebe, one of the owners, "by some oversight, misapprehension or mistake" on the part of defendant's agent, it was alleged. Plaintiff further alleged that the agent knew who the owners were and that Liebe had only an interest in the warehouse. The flouring mills company subsequently sold the warehouse to plaintiff and assigned the policy to him. The warehouse was destroyed by fire, and defendant company declined to pay any more on the policy than the value of Liebe's interest in the property, claiming that by the terms of the policy they agreed only to indemnify the assured—to-wit, for his fractional interest. Plaintiff therefore endeavored to have policy reformed so as to cover the interest of each of the joint owners. Defendant demurred to bill for want of equity, because (1) it did not appear that the alleged mistake was mutual; and (2) either the plaintiff took the assignment without knowledge of the alleged mistake, and therefore had all he bargained for or expected—a policy on Liebe's interest in the property, whatever that was, and there was no mistake as to the plaintiff, or he took the same with knowledge of the mistake and was guilty of laches in not sooner making it known and seeking a correction thereof.

Held, That delay in bringing a suit or making a claim to have a written instrument reformed on the ground that it does not embody the contract of the parties, is not a technical bar to such suit, but is only a circumstance tending to show with more or less force, according to the nature of the transaction and the situation of the parties, that the plaintiff took the policy with knowledge of its contents and ought to be bound by them. But when it clearly appears from the bill that the plaintiff has been guilty of laches, a demurrer thereto for that cause will be sustained.

The suit was brought more than nine months after the policy was assigned to

plaintiff, and more than seven months after loss occurred. No excuse was offered for this delay. *Held*, That when this fact is considered in the light of the presumption that the plaintiff's assignors took the policy with knowledge of its contents, probably it does appear that the parties have been guilty of laches in making and asserting the claim that the policy is erroneous. But as the fact may be otherwise, the demurrer on this point is overruled, and the question of laches reserved until the final hearing.

Held, That a party seeking to have an instrument reformed must show—as well by his pleading as in proof—in what the mistake consists, and that it is mutual. In other words, it must appear that the contract, as reduced to writing, does not contain what both parties intended it should. And to this end, it must be shown in what they did agree. A mistake in a contract, resulting from the misunderstanding of the parties, is not a ground for reforming it, although it may be for rescinding it. When each party is laboring under a misapprehension as to the purpose or intent of the other, their minds do not meet, and there is no contract to reform. Hearne *v.* Marine Ins. Co., 20 Wall., 490; Brugger *v.* State Invest. Co., 5 Saw., 310; Wood on Ins., 505. The bill in this case does not allege that there was any express agreement between the parties on the subject of insuring this property. It is only stated that Burnell for himself and co-owners applied for insurance on the warehouse, with loss payable to Liebe. It is not even explicitly stated whose interest in the property Burnell applied for insurance on, or that he then disclosed the names of any of the owners except that of Liebe. But there is no sort of showing that the defendant accepted Burnell's application or agreed to insure the interest of any one in the warehouse. The allegation goes no farther than this—that "thereupon" the defendant issued a policy on the interest of Liebe in the property. But as what the defendant did is the only circumstance tending to show that it agreed to do anything, there is nothing to show that it agreed to do more than it did do—issue a policy on Liebe's interest in the property.

Held, That insurance is a contract with the owner of property or some interest therein to indemnify him against loss or damage by fire. Colloquially speaking, it is affected in his "name;" but in contemplation of law it is affected on his interest in the property, and cannot therefore be effected in the "name" of any one else. It may be done for the benefit of such owner or any third person whom he may designate. The "Dayton Flouring Mills Company" is not the "name" of any person, either natural or artificial. It can have no interest in this property and an insurance in that "name" is an insurance in the name of no one. A conveyance to the "Dayton Flouring Mills Company" would be void for want of a grantee. 1 Wash. R. P., 422; 2 Id., 565, 568; Friedman *v.* Goodwin, 1 McA., 149. The phrase is a mere arbitrary collocation of words constituting a style or firm name or sign under which natural persons associated together as partners may do business.

Held, That it does not appear from the bill that the defendant ever agreed to insure such interests and issue a policy accordingly, but only that the defendant thereupon issued a policy covering the interest of Liebe alone. That this was the result of a mistake or misapprehension on the part of the defendant may be true, but for aught that appears, and so far as does appear, such mistake or misapprehension may have arisen from the fact that the defendants did not wholly accept or correctly apprehend the application of Burnell rather than that it erred in reducing the contract to writing. And, if so, there was no mutual mistake in the matter. The minds of the parties never met on the proposition contained in the application. They made no contract other than the one which is implied in the issuing by the one and the acceptance by the other of the policy on the interest of Liebe alone.—*Durham* v. *Sun F. & M. Ins. Co.; U. S. C. C., Or., Dec.* 31, 1884.

WHEN A WAREHOUSE IS AN ADDITION.—The warehouse insured was used exclusively for storing grain, which was spouted from the elevator through two spouts. The warehouse was within two and a half feet of

the elevator, to which it was attached by several boards. *Held*, That the warehouse served the same purpose, and no other than, as a bin in the elevator building. It was used as a part of the elevator, and was so connected with it that, in view especially of this use, it must be considered as having been intended by the parties to be included in the designation "elevator building and additions."—*Cargill* v. *Millers and Manufacturers Mutual Ins. Co.; Minn. S. C., Jan.*, 1885.

NOTICE AND PROOFS OF LOSS.—The notice of the loss, which the insured is required by the policy to give in writing "forthwith," upon the occurrence of a loss, and the statement or proof of loss to be rendered "as soon as may be," are distinct. The one is essentially a notice and is so designated in the requirement to "notify" the Secretary; the other, which in the policy is called a statement, is not of the character of a mere notice. In the law of insurance it has come to be known as "proofs of loss," or "preliminary proofs," and is elsewhere in the policy referred to as "the proofs herein required." The most natural, if not the necessary, construction of the instrument is to read the words, "notice as aforesaid of said loss," as referring to the notice of loss, and not to the proofs of loss. This conclusion is further supported by the principle which requires us to construe liberally in favor of the insured those provisions of the contract made for the benefit of the insurer and expressed in a form deliberately selected by it.—*Ibid.*

WAIVER — LIMITATION. — Action was brought after the six months' limitation had expired. The proofs of loss were not submitted until after the fifteen days allowed had elapsed. When plaintiff went to defendant's agent's office she was supplied with the necessary forms and advised as to the filling them up. It was contended that this constituted a waiver of the fifteen days clause. *Held*, That the act of the agent was not a waiver. The supplying the plaintiff with a blank form was simply an act of kindness on the part of the agent. It was also contended that the six months clause was waived by agent's letter stating that the correspondence relating to the loss had been forwarded to the head office of the company, and the matter awaited a reply. The Court decided that this did not constitute a waiver, either.—*Grey* v. *Colonial Ins. Co.; Queensland S. C., Dec.* 9, 1884.

WHEN INSURED'S AGENT MAY SIGN PROOFS OF LOSS—WAIVER.—In the absence of his principal, the agent brought suit to recover for a loss by fire. Payment was resisted on the ground that the agent had no right to sue, that the proofs of loss were irregular and barred by an agreed limitation, and that the insured had misrepresented the value of the property. *Held*, That in the absence of the principal, his general agent has a right to sue on a policy. *Held*, That the absence of principal from the country at the time of loss and failure to return proofs is a sufficient legal excuse, and in such case the proofs may be signed and verified by his agent. *Held*, That when proofs are made out and delivered to the company within the required time, by agent of assured during his absence, and the company returns the proofs with objections, and they are amended and again delivered, such action is a waiver of the objection that proofs were not delivered in time. *Held*, That if an insurance company, after knowledge of the fact of misrepresentations by the accused in his application, demands of him that he make and deliver proofs of loss, it will as a matter of law be presumed to have waived any defense on account of such misrepresentations.—*Germania Fire* v. *Grunert; Ill. S. C., Dec.* 17, 1884.

USAGE—JUNK GOODS—EVIDENCE.—Policy sued on was placed on a stock of junk goods classed as rags. In the trial court a verdict was given plaintiff. Company took exceptions to the admission of evidence and to the instructions of the court, alleging that the usage of the junk trade in classing all paper stock as rags is erroneous, and that the admission of evidence and the court's instructions that it was so classed, were inadmissible. *Held*, That the evidence of

usage was rightly admitted, and that the instructions were fair and sufficiently favorable to the company. — *Money* v. *Howard Ins. Co.; Mass. S. J. C., Jan.*, 1885.

INSURABLE INTEREST. — Property insured was cotton bought by K. with money advanced by plaintiff, a bank, under an agreement that the cotton should stand as security, that when sold the proceeds should be paid to the bank, and that the bills of lading should be used in the name of the bank. The latter claimed that by this agreement it was in effect the owner of the cotton, and it held an assignment of the insurance policy. *Held*, That the bank had an insurable interest in the cotton, but such interest was not covered by the policy. The lending of the money to K. was a personal trust reposed in him. If the bills of lading had been taken in the name of the bank, or been transferred to it, legal title would thereby have passed. But even then, the property would not have been covered by the policy, because it would then have been removed from the only place at which the risk would attach.—*First National Bank of Waxahachie* v. *Lancashire Ins. Co.; Texas S. C., Jan.*, 1885.

ESTOPPEL.—Plaintiff urged that defendant was estopped to deny that it was the owner of the cotton, because at the date of the entry on the open policy, and long before it knew all about the arrangement between the former and K., and with like knowledge had previously taken similar risks on cotton so purchased by K. with money advanced by plaintiff, and received the premiums therefor, and thereby induced plaintiff to believe that the cotton so purchased came within the terms of the policy; otherwise plaintiff would have taken out a policy in another company. *Held*, That while custom, or the course of dealing between parties, may sometimes be considered in order to interpret what is doubtful, it is not to be taken to contradict what is plain. The agent could not bind the company by taking risks on any property unless the property was owned by the plaintiff, or held by it in trust, or on commission, or had been sold by it and not delivered. The plaintiff was bound to take noticeof that limitation, and if it went beyond it in its dealings with the agent it did so at its peril.—*Ibid.*

INLAND MARINE.

GENERAL AVERAGE—LIABILITY.—A vessel with a deck cargo of cotton was sunk, and the captain procured a wrecking vessel to raise her and receive her cargo. But before her arrival he had procured the services of another vessel to receive and transport the cotton in his own name to his own agent, with instructions to the latter to exact an average bond from the owners upon its delivery. The underwriters, however, obtained possession of the cotton without giving the bond, upon payment of transportation charges. The wrecking vessel had nothing to do with the cotton, but raised the boat with the remaining cargo. *Held*, That the cotton was liable for the general average expenses, which, when there was one continuous effort to save vessel and cargo, should include all the expenses from the sinking of the vessel, and not excepting those incurred for a reshipment of part of the damaged cargo.—*Mitchell Trans. Co.* v. *Patterson; U. S. C. C. Tenn., Jan.* 17, 1884. —*Ins. Law Journal, February.*

INSURABLE INTEREST. — Boat accidentally struck the river bank in attempting to make a landing, and sank and became a total loss. Plaintiff owned three-sixteenths of the stock of the company owning the boat, and claimed that to that extent he had an insurable interest in the boat. It was claimed that there was a sale of the boat before the loss, and a bill of sale was produced. Plaintiff proved that it was a sham sale to prevent seizure. *Held*, That plaintiff's insurable interest was not extinquished by such feigned conveyance.—*Seaman* v. *Enterprise F. & M. Ins. Co.; U. S. C. C. Mo., Sept.* 25, 1884.

UNSEAWORTHINESS.—The vessel was without a starboard wing rudder when it left St. Louis, the port of departure. Defendant contended that the absence of this fourth rudder made the boat unseaworthy. *Held*, That as a matter of law, whether or not ex-

Statement of the Condition and Affairs

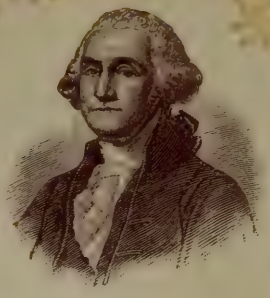
OF THE

WASHINGTON

Fire and Marine Insurance Co.

OF

BOSTON, - MASSACHUSETTS.



On the 31st Day of December, A. D. 1884.

Capital **$1,000,000 00**

Amount of Capital Stock paid up in Cash $1,000,000 00

Assets

Loans on Bond and Mortgage	45,500 00
Cash market Value of all Stocks and Bonds owned by Company	1,224,292 00
Amount of Loans secured by pledge of Bonds, Stocks and other marketable securities as collateral	55,000 00
Cash in Company's Office	37,442 14
Cash in Banks	103,212 53
Interest due and accrued	4,582 57
Premiums in due Course of Collection	92,089 26
Bills receivable, not matured, taken for Fire and Marine Risks	45,296 28
TOTAL ASSETS	$1,607,414 78

Liabilities

Losses in process of Adjustment or in Suspense	127,320 00
Gross Premiums on Fire Risks running one year or less, $468.457 38; re-insurance fifty per cent.	234,228 69
Gross Premiums on Fire Risks running more than one year, $173,497 94; re-insurance pro rata	124,053 89
Gross Premiums on Marine Risks	37,123 68
Commissions and Brokerage due, and to become due	797 92
	523,524 18
CAPITAL STOCK	1,000,000 00
SURPLUS over Capital and all other Liabilities	83,890 60
	$1,607,414 78

Income

Net Cash actually received for Fire and Marine Premiums	$ 801,057 79
Received for Interest and Dividends on Bonds, Stocks, Loans and from all other sources	72,400 21
TOTAL INCOME	$873,458 00

Expenditures

Net Amount paid for Fire and Marine Losses	$ 532,396 95
Dividends to Stockholders	30,000 00
Paid or allowed for Commission or Brokerage	223,758 85
Paid for Salaries, Fees and other Charges for Officers, Clerks, &c.	23,500 00
Paid for State, National and Local Taxes	8,529 93
All other Payments and Expenditures	22,889 09
TOTAL EXPENDITURES	$841,074 82

GEO. D. DORNIN, Pres't.

WM. SEXTON, Assistant Sec'y.

PACIFIC DEPARTMENT,

322 MONTGOMERY STREET, SAN FRANCISCO, CAL.

pressed in the policy, there is an obligation on the part of the owners to see that when a boat leaves the port of departure she is seaworthy. *Held*, That to be seaworthy a vessel must be provided with everything tending to make it reasonably safe for the voyage. If damage happens after beginning of voyage, the master is bound to use reasonable discretion, and at the nearest convenient port remedy the defect. He must consider all the circumstances under which he is placed, the extent of the damages, the necessity of immediate repairs, etc. *Held*, That if the loss was in no manner owing to the defect, then it will be disregarded. It is only when the defect, either in whole or in part, contributes to the loss, that the policy is void. *Held*, That perils in making landings are perils of navigation.—*Ibid.*

LIFE.

AMBIGUITY.—When the language of the policy, and of the interrogatories and provisions of the application have been carefully and deliberately read by the insurer, in its preparation the insured has no part; and whatever there may be in the language as prepared by the insurer which has a tendency to defeat the main purpose of the contract, and where any ambiguity in an interrogatory propounded to the applicant, or it be capable of more than one answer it should be construed strictly against the insurer and most favorably to the insured in whose favor all doubts should be resolved. —*Penn Mutual Life Ins. Co.* v. *Rosetta Wiler; Ind. S. C., Jan.* 29, 1885.

WARRANTY.—Where the answer given to an interrogatory be in itself true, though the question be such as to suggest a fuller and more detailed answer, and where all the answers are true, and there is no intentional omission of some fact without which the answer was not full, and the answers are true in themselves and there is no intentional suppression or omission or fraud on his part—if the insurer be content with the partial answer he cannot claim a warranty extending beyond the partial answer, nor a breach of the warranty, or should his answer be held to avoid the policy.—*Ibid.*

In the foregoing case the company was forced to depend upon a technical defense, because the Court excluded the testimony of the physicians of the insured. They were prepared to testify that he had been treated for consumption and other constitutional diseases before making his application. He died of consumption soon after receiving the policy. The risk was one which no company would have taken had the applicant responded truly to the questions in the application. The Indiana law forbids the admission of evidence obtained from a patient by his physician when acting in a professional capacity.

LIABILITY OF THE PROCEEDS OF A LIFE POLICY—CREDITOR MAY COLLECT PREMIUMS PAID.—This was an action by the Central National Bank of Washington to obtain the proceeds of a life insurance policy on the life of a debtor. The insurance company was made a party to the suit, against which the plaintiff prays judgment for the proceeds of its policy issued to the deceased for the payment of debts owed by him. *Held*, That the policy never having been a portion of the estate of the deceased, is not, therefore, liable for his debts, but that the amounts paid by him as premiums may be deducted and paid to the creditors of his estate.—*National Bank* v. *Home* and *The Maryland Life Ins. Co.; Washington (D. C.) Dec.* 30, 1884.

Legal Notes.

In the case of Frey *v.* The Germania Life, the Supreme Court of Michigan has affirmed the decision of the lower court, to the effect that the suicide clause was binding upon the parties interested. The insured committed suicide while insane.

The Supreme Court of California has affirmed the judgment of the lower court in favor of the underwriters, in the case of Henry Schroeder et al. *v.* The California Lloyds, an action brought to recover heavy damages on an insurance policy. The court holds, in effect, that any voluntary violation of a policy is a change of the risk, and discharges the insurers from liability. The

shipper's remedy is against the common carrier.

For removing a case to the Federal courts, the license of the Hibernia Ins. Co., of New Orleans, has been revoked by the Illinois Insurance Department, under the law of that State.

The suit of Fred. Endy *v.* The Star was concluded in the United States Circuit Court, at Dallas, Tex., on January 28th, the jury giving plaintiff judgment for $5,000, the amount sued for, with legal interest on the same from the date of the damage. In October, 1883, the hotel at Greenville, the capital of Hunt county was burned during a cyclone. The defendants declined to pay the insurance on the ground that the building was blown down or fell down and was afterward burned.

In May, 1882, a Philadelphia merchant was struck by a tarpaulin thrown from a fourth-story window by a member of the Insurance Patrol. The merchant was so badly injured that he soon died. His widow and son sued the Patrol and the member who threw the tarpaulin, for damages. The court ruled that no action could lie against the Patrol, as that corporation was a charity and could not be sued in its corporate capacity. The suit then proceeded against the negligent Patrolman, and the jury returned a verdict for $25,000.

Annual Address of President Sexton.

[Delivered at the ninth annual meeting of the Underwriters' Association of the Pacific, February 17, by the President, Wm. Sexton.]

Gentlemen of the Underwriters' Association of the Pacific:—Another year has rolled around, and we again take two days from our treadmill work to meet and exchange our experiences and theories, each adding his mite to the general information fund. Our association is made up of Board, Non-Board, Free Lance and Compact; all are eligible, all are welcome, all are needed. The subjects to be discussed before the Association have been parceled out to committees and individuals, leaving your President the field of generalities to deal with, which field has been worked so thoroughly and gleaned so carefully by his predecessors that the wheat is gone, and there is but the straw and stubble to offer you.

Some one said that the business of fire insurance is to pay losses and make money; but from

THE RESULTS OF 1884

underwriters may hope to pay losses, but don't act as if they wished to make money. The returns are in, and are not at all flattering to the fraternity. It is always in order on occasions of this kind, to say something neat, praising the good management, tact and business ability of the underwriting fraternity; but as we are not children to be petted, I propose to change the order. I will state matters as we have them, ask questions, make suggestions, and not use "taffy."

It would be more pleasant to say sweet things if the results of 1884 had been profitable, and would justify the usual praise for the good management of the gentlemen who control and handle the two hundred millions of dollars fire insurance capital and assets entrusted to their care in the United States. But when, with no town of any size swept out of existence, with no fire that burned a full first class mercantile block in any large city during 1884, we show losses and expenses, of the one hundred and forty-five companies (being sixty-one New York companies, sixty other-State companies, and twenty-four foreign companies), reporting to the New York Insurance Department, representing assets of $177,000,000, a premium income of $78,000,000, and losses of $50,000,000, to be

EIGHT-TENTHS OF ONE PER CENT. MORE THAN THE PREMIUMS,

(see *Insurance Chronicle*, January 29, 1885), nothing can be said, other than that this state of affairs indicates more than bad luck, and nothing less than bad management.

Stockholders whose capital, and policyholders whose security was lost in the Chicago or Boston fires could blame bad luck, but what excuse can we offer for allowing capital and security to be eaten up with average losses? We are responsible to the

stockholders for the capital, and to the policyholders for the security. The former are entitled to a reasonable profit, and the latter to solid protection. What can we do to secure these results?

The situation and the "matter with the business" is being dicussed by the insurance press, the "Union Circulars" and the underwriters, each having his own ideas and answering in his own way; some blaming the big companies, some the small ones; each laying the blame on the other; some big commissions, and some plead the Baby Act, that is, "unlooked for losses" on "good business" that was written to get it on the books for the "pretty of it," and not for the "premium in it," as if they expected to do underwriting without losses, or any business to be good that doesn't pay. "Good business" is that which pays, even if it be frame, shake-roof, cotton-lined hotels in Montana, and "bad business" is that which does not pay even if it be farm dwellings in the New England States. Underwriters should be able to name a rate that would pay on the former, and might write the latter at a loss.

NO EXCUSE FOR LOSING MONEY.

If fire insurance were a game of chance only, we might go it blind and depend on luck, but being as near an exact science as farming, merchandising or manufacturing, we can have no excuse to offer for losing money on average losses. In fire insurance, we have before us the simple problem in geometry, viz., "Given two sides and one angle of a triangle to find the third side." We have "Reserve Fund" and "Losses" for the two sides and "Expenses and Profits" for the angle, and with these we ought to find the third side, "Premiums."

We know that we must have a "Reserve Fund"—we know how much; add a small percentage to this for greater safety, and we have one side. We know that we will have "Losses;" we have statistics to show the average, and if we add a small percentage to this for errors, we have another side. If we now figure a fair return for the risk and the use of capital, and add for expenses, we have the angle. This is the simple problem, and if properly worked out, will give the third side—"Premiums."

RESERVE FUNDS.

As the given "sides" or "angle" increase or decrease, so will the premiums (third side) be greater or less, and in solving the problem, let us see where a reduction, if any, can be made, and in doing so, can take our local experience and commence with the side "Reserve Funds." We have had a remarkable exemption from serious fires in San Francisco for a number of years (thanks to an active Fire Department and Fire Patrol), but must we not look for a heavy loss some day? May we not look for a fire to start in Chinatown on a windy afternoon, and sweep through the business part of the city? Can any of you look over your map, and say that your "Reserve Fund" is too large for what you have at risk? Do you not feel that for the protection of the assured it should be strengthened, and not weakened, or frittered away in a cat-and-dog fight to get business on your books? Do you not agree with me that your "Reserve Fund" is not too large; that that side of the triangle is not too long; that we cannot economize there, and that too much "Reserve Fund" is not "the matter with the business?"

LOSSES.

We may now take up the side "Losses," and ask where can they be reduced? Are they too liberally paid? We sometimes pay losses that ought not to be paid; these payments, like bad debts in other business, must be borne by the community; the honest must pay for the dishonest. Would the three-quarter loss clause, as suggested by many of our friends East, help us? Is insurance over-profitable in France, where that clause is customary? Would a one-half loss clause help us? Would anything less than a clause in the policy declaring it "void in case of loss" help us? Would we not, as now, work hard to drop rates just a shade below the paying line? If the losses in fire insurance were purely a local matter, this moralizing would not apply to this Coast, as our loss percentage is reasonable; but as wrecks guide the mariner by indicating the rocks and sands that he must

avoid, so should the experience in other localities be a guide for us here, as we know not how soon San Francisco will give us a call, and there are few, if any, of us who cannot pick out a single block the destruction of which would take all of his profits for the Coast in 1884. Look into this and you will agree with me that losses are not too heavy — that that side of the triangle cannot be shortened, that we cannot economize there, and that losses is "not the matter with the business."

PROFITS AND EXPENSES.

We can now examine the angle "Profits and Expenses," and see where it can be reduced. The profits and prospects of profits part can be disposed of as readily as the old whaling captain, in his paper, disposed of the subject of "Manners and Customs" of the South Sea Islanders, for a literary society in Boston. He only said, "Manners none; customs nasty." We can say, profits none, prospects poor.

In the matter of expenses, we have figures, statistics, diagrams, mountains and valleys shown by the best insurance talent in the nation (see Hine's paper before last meeting of Association of Northwest), giving the rise and fall of the profits on insurance capital, and of the expenses; but we have nothing that all interested can agree on to reduce such expenses. Where shall we commence? By reducing printing and advertising bills? Insurance journals do not recommend that. By reducing officers' salaries? We do not recommend that. By reducing office rents? Comfort and convenience won't permit that. By reducing local agents' commissions? We might agree on that. We, like Artemus Ward, who was willing to send all of his wife's relations to the war to save the country may be ready t o sacrifice the local.

It is possible that insurance journalists are too well paid, and are gathering wealth. We hope they are, because they give value for what is paid them; they earn all they get. It is possible that some officer is too well paid for his services. If there are any such present, they will please rise and be counted. It is possible that some office is too costly in its fittings, too convenient in its location, or too comfortable for its occupants; if any member occupies such an office, he will please stand up. We know locals who make a comfortable living by, hard work, but we don't know any who are too well paid. Examine this closely, and you will agree with me, that

EXPENSES ARE NOT TOO HIGH,

and that when a reasonable addition is made for risk of, and use of capital, the angle cannot be reduced; that we cannot economize here, and that profits and expenses is not the "matter with the business."

As insurance is like farming, trading or manufacturing, we may learn something outside about the "matter with the business," and here I can give a bit of a personal interview, a few years since, with an old friend who is "hog ranching." After the usual greeting, an inquiry as to the success of hog raising brought an answer that it didn't pay. What was the matter with the business, had tule roots failed? No! Hogs die? No! Mast crop short? No! Well, what was the trouble? Don't get enough for hogs! If we interview a merchant when prices are down and profits on the wrong side, we will find that he looks for better prices, and hangs his hopes on a better market. If we interview a manufactnrer, we will learn the same story.

To sum up: We have reserve funds; should keep and increase them. We have losses; can't reduce them. We have expenses; must have them, and

WE SHOULD HAVE PROFITS.

Where can we get reserve, losses, expenses and profit. There is only one answer, from premiums. And if there is anything the matter with business, it is that hog ranchers do not get enough for their hogs; merchants do not get enough for their goods; manufacturers do not get enough for their products, and underwriters do not get enough for their policies.

If we have correctly solved our problem, we have the third side "premiums," and and to get that premium we cannot, like the farmer, merchant and manufacturer, each act as if he were a law unto himself, figure on his own experience, and be independent of each other. They each can

know the exact cost to them of the articles they have to sell before putting them on the market, while we

CAN ONLY USE PAST EXPERIENCE

to approximate, and must find the exact cost after selling. To get the approximate cost, we must pool our experiences, work together, compare notes, admit that our co-laborer knows something, be ready to work with him, and learn from him; compare his classification with ours; admit that we will have losses and expenses, and must have reserve and profits, and in making our rates, add a good percentage for what we don't know, and not flatter ourselves that our underwriting ability is so much superior to his, that we can cut rates, sell policies for less than cost, and make profit for stockholders.

In the matter of adding to the rate for what we don't know, we might ask our selves if we do not cut too fine, if we do not figure too close, if we do not drive too near the edge? A story is told of a timid gentleman who advertised for a coachman who could drive close to the edge of a cliff and not drive over. A number of applicants told how near they could drive; some could drive within an inch, some half the width of the wheel-tire over, but one, when asked, said he didn't know, never tried it, always kept away from danger. He got the place.

Do not we rely too much on our knowledge of the cost of carrying the risk from

THE HAZARD AS WE SEE IT,

and are we not too ready to ignore the fact that there might be some threatening hazard that we know nothing of. We had an experience of this kind, a few days ago. Most of you were interested in a nice iron stock in a water-proof basement, damaged by leakage through basement wall (above the water-proof line) by water thrown on an adjacent lot, at a fire in high-rated frames a few doors away. Did any of you figure on that hazard? Were you legally responsible for that loss, and if so, were you not entitled to recover from the owner of the building, because his building was not as represented; or, as marine men, who figure finer than we fire underwriters do, would say, was "unseaworthy." I do not question the payment of loss under such circumstances, but should we not charge for unknown and unseen hazards, and pay the losses under them?

PACIFIC COAST UNDERWRITING.

If we have found the "matter with the business," can we afford to lose the good name earned by Pacific Coast underwriters in paying losses and making money, in giving liberal indemnity to the assured, and reasonable profits to the stockholders, by cutting rates and selling policies at less than cost. If we are a very small section of the insurance circle of the United States, and only represent about seven per cent. of the premium income, must we not exercise as much care to make that seven per cent. respectable and profitable as if the other ninety-three per cent. was under our control? Was not our success in the past due to the Board organizations? Did not the non-Board companies make money because the Board rate would bear shaving? An active non-Board manager said that he wanted the Board kept up, because he could cut a little and then get a good rate. Must we not stand by any organization and be ready to adopt any measures that will fix rates to make up the premium side of our angles? Must we not do all we can in assisting to build up, and if needed, must not each one sacrifice some present advantages or methods of business to build up and sustain the Compact Union? Can we do without it? Does the experience of any of us, for the last six months, warrant trying to do without it?

The whole "matter with the business" is in your hands and depends on the success of the Compact Union. By not supporting it we will show bad management, and certainly no profit. By supporting and building it up, we will show good management, and probably a profit.

APPORTIONMENT OF NON-CONCURRENT LOSSES.

We, like other associations, are wrestling with the vexed and unsettled question of apportionment and contribution of non-concurrent insurances, and while some of us, like others who tried it before, dispose of it readily and to our own individual satisfaction, the difficulty of getting others to un-

derstand our theories and of getting all to agree on any particular rule, and then incorporating such rule in our policies, is such that those who have worked at it most find it discouraging. Would it not be well that, as the larger portion of our members are not directly engaged in adjusting, and do not have time to study up the different rules, or follow the theories of the authors, that each office refer the whole matter to its adjuster, and ask him to report the proper rule to adopt, and then that the managers incorporate such rule in the printed contract in the policy? Would not such contract, if definite, be held to be good between the company having it and the assured or other companies?

If the arbitration clause and the ownership clause, as printed, the co-insurance clause, and average clause, as written, are held to be good, why should not an apportionment and contribution clause be held legal? One of our members, being in advance of the balance of us, has an apportionment and contribution clause printed in the conditions of his policy, and while its legality has not yet been tested, he informs me that he has had legal advice in its favor, and could find no decisions of courts against it. Equitably, could there be any objection to such clause? Would not a general policy containing such a clause be more favorable to the assured than a specific policy, as the latter places a specific sum on each item, and the former would float with amount of loss or value, according to its form? The discussions on this point have called attention to the neccesity of care in policy-writing, and has been the means of making us more careful.

ADJUSTING EXPENSES.

In the matter of adjusting expenses, would it not be prudent to make a reduction in the per diem, except in large losses, where special contracts might be made for special services? The per diem in Colorado and in the West is not near as large as with us, and as the discomforts of travel as in stage-coach days are things of the past, we might economize here.

Our rules in relation to the assured paying adjusting expenses (known as the T. & A. clause) might be amended to read, that when any policy on a loss contains the traveling and adjusting clause, that the adjuster sent by the office issuing such policy shall, if requried or permitted by the assured, furnish copies of his proofs and papers to all offices interested in such loss, and if such proofs and papers be not satisfactory, then such offices may, at their own expense, send an adjuster. When a loss under a policy having the adjusting clause is adjusted by an adjuster having other losses in same locality, then such assured shall pay only pro rata share, with the other losses, of said adjuster's expenses.

I would further suggest, that where an adjuster is telegraphed or written to when on the road, to attend a loss, that the per diem and expenses be charged from such time and place, to place of loss and back to place of receiving the order.

A SUGGESTION.

Would it not pay to have all papers read before this association, since organized, printed in book form, paper cover, by subscription from the offices? Would not such a book, containing, as it would, the experiences of the many and the theories of the few, be valuable to agents and specials? Would not a new special, who will read the papers of W. L. Chalmers on Adjusting, George F. Grant on Special Agents, and W. P. Thomas on Local Agents, at last session, twice a month, know more about adjusting, special work and local agents at the end of his first year, than in five years without them? There were other papers of merit, but I refer to these because they bear directly on a special's work, and give information from actual experiences, boiled down.

In conclusion, I beg to return my sincere thanks for the honor conferred in electing me President of this Association, and also to offer humble apologies for want of time to have given you the services that you deserved.

During 1884 the British and Foreign Marine Insurance Company received $1,506,700 in premiums and paid $668,450 (44.7 per cent.) in losses.

STATEMENT

OF THE

CONDITION AND AFFAIRS

OF THE

AMERICAN INSURANCE CO.

OF

NEWARK, NEW JERSEY

ON THE

31st Day of December, A. D. 1884.

Amount of Capital Stock paid up in Cash	$ 600,000 00

ASSETS.

Real Estate owned by Company	$ 390,859 34
Loans on Bond and Mortgage	645,296 77
Cash Market Value of all Stocks and Bonds owned by Company	610,000 05
Cash in Company's Office	10,791 74
Cash in Banks	25,484 20
Interest due and accrued on all Stocks and Loans	4,750 04
Interest due and accrued on Bonds and Mortgages	13,263 18
Premiums in due Course of Collection	16,463 70
Rents due and accrued	4,515 26
TOTAL ASSETS	$ 1,721,424 28

LIABILITIES

Losses Unpaid and in Process of Adjustment or in Suspense	$ 29,707 71
Re-insurance Reserve	227,367 55
Cash Dividends remaining Unpaid	7,540 15
Commissions and Brokerage due and to become due	2,760 82
Cash Dividends to Policy Holders remaining Unpaid	9,298 00
TOTAL LIABILITIES	$ 276,674 23
Capital Stock paid up	600,000 00
Net Surplus	**844,750 05**
	$ 1,721,424 28

INCOME.

Net Cash actually received for Fire Premiums	$ 331,419 81
Received for interest on Bonds and Mortgages	36,686 93
Received for interest and dividends on Bonds, Stocks, Loans and from all other sources	25,750 00
Rents	10,775 52
TOTAL INCOME	$ 404,632 26

EXPENDITURES.

Net amount paid for Fire Losses, including $30,727 73 losses of previous years	$ 145,824 18
Dividends to Stockholders	67,540 30
Paid or allowed for Commission or Brokerage	51,189 61
Paid for Salaries, Fees and other charges for officers, clerks, etc	34,320 08
Paid for State, National and Local Taxes	13,078 08
All other Payments and Expenditures	28,753 18
TOTAL EXPENDITURES	$ 340,705 43

Frederick H. Harris ..... *President*

J. H. Worden ..... *Secretary*

P. L. Hoadley ..... *Secretary Agency Department*

BALFOUR, GUTHRIE & CO.

General Agents for Pacific Coast,

GEO. W. SPENCER, - - - - - MANAGER.

Local Agents, by a Local.

[From a paper by B. B. Lee, of Red Bluff, Cal., read at the ninth annual meeting of the Underwriters' Association of the Pacific.]

There is no question but that the insurance profession contains many men of rare ability and extensive business experience. It is also certain that none of the professions contain so many men who are wholly out of place, and utterly incompetent for the duties required of them. It is no rare sight to see a special, regularly traveling for a company, who does not know a man in two-thirds of the counties comprising his field. Yet such a special is expected to make business and help the local to extend his lines. There are managers and general agents by the score who never ran a local agency an hour. Generals who never shot a gun or smelt powder are not apt to lead an army to victory. And these gentlemen are supposed to be able to direct and dictate the policy and management of a local agency. No wonder the fire waste is growing to such enormous proportions.

GRAVE RESPONSIBILITIES.

It is an indisputable fact that there is no other occupation that bears a fractional part of the responsibility to the world that ours does. An ignorant doctor may kill a patient now and then. A negligent lawyer occasionally ruins a confiding client, and the loss and damages are but a trifle when compared with the ruin and devastation that a member of the insurance fraternity can accomplish in a very short space of time.

It seems to me that it is perfectly proper for each and all of us to talk plainly, try to thoroughly analyze our different practices, and set dilligently at work to strip off the gauze of prejudice and time-honored custom that surrounds and hampers our every action. We should endeavor to deal with the actual condition of men and things, and show up the humbug if any. I may advance a ridiculous idea, and promulgate an impracticable proposition. If I do, show me up. I will not be the only erring theoist in the profession, by a large majority.

I remember an eminent insurance secretary who wrote a polished and elaborate article, likening the business to a grand and perfect piece of machinery. The President, Secretary, Directors, Center man and special agent, each filling their respective parts—each polished, well-balanced and making a perfect whole. The local agent he described as

THE HOPPER,

through which the raw material for manuracturing dividends was steadily fed. An eminent President writes a circular letter to his local agents, which is so full of sound business sense, and conservative loyalty, that it attracts the attention of the whole insurance world. And yet both of these able and experienced underwriters have received the sympathy of every intelligent local for the unpardonable errors in several of their propositions.

If Mr. Secretary had only given his subject proper study, he would have named

THE LOCAL THE FEEDER OR PRODUCER,

and not the hopper of the machine. He would have known that 90 per cent. of the business is actually *made* by the local agent. That the great name and fame of his company is made wholly and entirely by him; that nothing is fed through him; that he teaches the necessity of insurance, shows its value, and that more properly the Secretary or the postoffice box is the hopper, and a matter of indifference to him or the assured upon whom the honor falls.

Mr. President's letter was a master-piece, and the ring of pure gold that it had still lingers in my ears, unwilling to depart. But when I cast my eyes over

THE TWO THOUSAND AGENTS

on the Pacific Coast, and see the good, bad and indifferent material composing this army, I must say—Go to, Mr. President! You preach but you haven't the backbone to practice. You know and show what the qualifications of a good agent are, but you never in all your insurance life tried to make one.

And so it is at every meeting of Insurance Associations. Article after article is written by able men. Men grown gray in the service; and yet they all continue

IN THE SAME OLD RUT.

The enormous fire waste is shown up, and

all sorts of theories put forth as to its cause, and ways and means devised for its reduction. Commissions and rates and the three-fourths clause, and a thousand other things receive ample attention; but in every single instance the cart is deliberately hitched up before the horse. Why not commence at the right end—at the head and front of the profession, and that is the local agent. He is responsible for more of this increasing fire waste than any other element. You are responsible for

A MISERABLE SYSTEM

that offers no inducement to an energetic, competent and honest man to perfect himself to fill a position requiring such intimate knowledge of men and things, and having attached to it such vast responsibilities. Devote more of your time to making insurance men out of your local agents; and give them the opportunity and encouragement to become such. Remember that he *makes* all your business, and by the least carelessness wipes out all your profits for a life time.

You may do a counter business of ten per cent., but the agent sowed the seed that brought it to you. Not one man in a hundred knows anything of you, or your company, except through the agent. Your President, Secretary, Manager and Board of Directors are but figure-heads for reference. He points to you and extols your wisdom, success and business capacity. If your record is clear, you help him, but you alone would not take in ten per cent. of your present premiums.

Now let us see how

THIS AGENT DELIBERATELY LIES

when he lauds your business ability. You pay him a commission on the net premiums. You deliberately make his interest antagonistic to the interest of the stockholder and the company. The interest of the company is to make dividends, and that of the agent ceases when he has pocketed his commission. When he has secured that he goes for another risk, and *must* be totally indifferent whether you make a profit or not. There is no gainsaying it, no resisting the fact, that right here lies the germ of all your troubles, the foundation of all your immense fire loss. The agent must have his commission, and he will take the chances on Firebugzinsky & Co., or any other man.

YOU BRIBE HIM

with a commission to represent a bad and undesirable risk, as in every respect A 1. It is right to this point, and the correction of this evil, that all your energies should be directed.

Can it be done? I say yes, and in less time than it takes to establish your compact. Cut your 2000 agents on this Coast down to 200, and retain only the very best of them. Put one good man on as local agent for Sacramento county; one as local agent for Santa Clara county, and dismiss the horde of agents now at those points. Let their compensation be $150 per month and a

PERCENTAGE OF THE NET PROFITS

at the end of the year. Now you are all working for the same end, and the interest of agent and company are identical. You have an agent who will not under any circumstances take the hazard of an over-insurance. Who will compel a bad risk to be made good before he writes on it. Who will always be on the alert for every little hazard. Stove pipes and cloth linings will have to come down. The flues, and hearths, and pipes, of every new building will receive the attention of an expert. Second-hand clothing shops, and similar hazards, will have to move out. A block that is healthy to-day cannot be made hazardous to-morrow by the presence of a fire bug with a big policy, put on him by some smart insurance agent or some "enterprising" general agency in San Francisco. The volume of insurance will suffer a decrease, for the reason that the 25 per cent. of over insurance that every last one of you now carry, will have to come off. But the *profits* is what the company and agent are both after. That the volume of fire waste will be largely decreased is absolutely certain.

Now I can see the soft, pitying smile of the President of this Association, and almost hear the Vice-President yawn and audibly ask for a gun. But I say unto these two scoffers, sit down and figure it out.

It is far easier to understand and determine, and will result in more profit, than the Kinne or Sexton Rule. You two gentlemen want notoriety; here are cords of it.

THE FIRST OBSTACLE

to overcome is the objection of the companies to having one joint agent for all. You all think you can double your lines in Sacramento in the next three years. But will you double your profits? No, sirs, nor your lines either. It is a safe bet that not three of you will make an increase of 15 per cent.

It is safer to say that three-fourths of the business of this county is now controlled by twelve companies or general agencies. Ascertain this by comparison of books, and then like sensible men agree to be satisfied with your present lines and your pro rata of the new business, and let the twelve companies and agencies take the county to themselves, giving the companies with small lines either a cash value or a like amount of business in some other county.

LOCAL AGENTS' OBJECTIONS.

The next point to overcome is the objection of the present local agents. *This business belongs to them.* They *made* it, and Coleman, Sweetser and Porter *et al.* will not *give* it to any agent of your selection. They are right; therefore pay them for a surrender and a sale of the good-will. You can afford to pay them double the value, for the reason that the new programme will produce three times the profits.

If the companies with small lines will not join in this arrangement—if you can't buy their business or trade them an equal amount in Stockton or Yolo—let them go it alone. Property-holders, the press, and citizens generally, will see at a glance that you are laboring for their protection, for the reduction of the fire waste and consequently lower rates; and if they give you their hearty support, it must redound to their benefit. The fight is far easier and certainly more respectable than the present disgraceful competition.

There are a thousand petty questions that it is unnecessary to answer in this brief outline, but all of them can be overcome and mastered by any fair-minded man, and you will have what you never can acquire under the present system, to wit: an insurance agent who must understand his business; who must decrease the fire loss; who *must* make a profit at the end of the year for the company, or get nothing himself except a living.

Follow out this plan all over the State. Ten or twelve companies take Sacramento county; ten or twelve other companies take Santa Clara, and so on. You will make your country business profitable; you will reduce your two thousand agents down to two hundred, and all of them competent and reliable men,

SAVING YOU THOUSANDS OF DOLLARS

for special work, office work, printing, compact expenses, and God knows how much on the fire loss, rate-cutting, backbiting, three and five year business, and the thousand other evils of the present will be things of the past. It seems to me that all this is entirely feasible. If it is not, show me up.

I have labored earnestly to elevate the business of insurance. My efforts have been generally met with quiet derision by managers and specials. One general agent says, "the noblest work of God is an honest man, and he made that d——d fool Lee, run him into the insurance business—and quit." Nevertheless, and notwithstanding all scoffs, I propose to walk my plank to the end, and fight for what I conceive to be honest and legitimate. I am proud of my occupation as local agent; and shall continue in the future, as in the past, to use my best endeavors to make the calling respectable, and rest entirely indifferent as to whether it suits the views of any or all the general agents on earth.

I shall continue to hold, that

THE LOCAL

fire insurance agent, devoting himself earnestly and honestly to the discharge of his duties, is the most valuable man in any community. He should be the best posted, and most thoroughly accomplished business man in it. His reponsibilities are great, and he should thoroughly appreciate them. His simple word can bind for thousands, and the capital is at his back to make that word good at maturity.

The best of your specials are regarded as insurance sharpers by a majority of the communities through which they travel. This is owing entirely to the fact that the present system tends to lower the status of one of the noblest professions on earth. Why not make local agents of a dozen or so of them? Elevate them from their present uncertain condition, and give them the opportunity to win the respect and confidence of one community at least.

But will this millenium ever come? Will any of the evils we now have ever meet with a radical check? Pardon me when I give it as my opinion that you,

ALL LACK BACK BONE.

You will still permit agents to use your money to pay their private bills. You will still permit them to run until hundreds of dollars in arrears, and hopelessly involved, before you think of taking any action. You have been so long in this old rut—so long trying to drive this horse at the wrong end of the cart, that any change from the old routine makes you shudder. You will still continue to appoint sharpers and men of no character and standing. Men who care nothing for the interest of the assured or the company, and whose only object is to cover every old chicken coop with a three or five year policy, pocket a fat commission and do everything that tends to destroy confidence and lower the standard, and that is antagonistic to all the principles of underwriting. You will still continue to let these tramps bore the honest granger into paying money for what he does not want, and ought not to have. And you

CALL IT SOLICITING.

I have known one of those fellows to "camp" with a farmer for three days, and until he actually insured to get rid of the incubus—and then when his policy came, tear it up, and forever after curse all insurance men. A breed of dogs trained to eat such insurance men would command high figures, and there would be no end to the demand. Soliciting is not begging. It is a science requiring consummate skill and first-class business ability and training. It is not work for boys, dudes or scalawags.

But you will still hold to the practice, for the same old reason. You will still persist in appointing forty to fifty agents in a country where there are not premiums enough to support more than one. You will still call these men insurance agents when not one in ten of them knows the difference between a brick flue and a stove pipe—who does not consider it necessary to make any endorsement when Rideout & Smith sell property (covered in their name) to the Bank of Butte County—or when one partner steps out and a new one comes in.

Is there any other business on earth that would so carelessly give out such important trusts to even reliable business men when the fact is so patent that they cannot do business enough to make themselves even ordinarily proficient? You will still expect that all that is necessary to get business, is to give an agent a commission,

A TIN SIGN AND A FEW CALENDARS,

with the name of your old and battle-scarred company in large letters, and think that this ought to give you seven-eighths of the business.

The intelligent special wipes out this humbug. He knows that the agent's name is all the assured goes by — and he immediately goes to work. He hunts up old friends and presents letters of introdution to others, and simply tells them that he is special agent for companies represented by their energetic citizen, Charley Jones. He never mentions his rusty old company, but throws out his whole soul for the agent, and talks of him and extols him as one of the brightest and most reliable agents on his list; until people begin to think that Jones is somebody and has been hiding his light under a bushel. That special extends the lines. He does something to merit the love and affection of his agent.

But it was not my intention to give the qualifications of a good special in this paper. I should be compelled to show up the utter incompetency of more than one; and as the boys are making a living, and the company is in blissful ignorance, and we are to continue in the same old rut, therefore I will resume what I know about specials until I get well paid for the breeze I should certainly kick up.

But to resume—you will still continue to do that

SILLIEST OF ALL SILLY THINGS,

cut rates to get business. You will still continue to pay agents, almost wholly engaged in other pursuits as much as you do the one who offers you his entire time. And how long will all this malpractice continue? To my mind that is the easiest point in the whole problem to answer. The people will take this bull by the horns, and in every State in this Union you will have the "Valued Policy Sum." The assured will compel you to do business—to pay exactly what you write on every risk. This will compel you to select as local agents only such men as will give the subject their undivided attention and who will become as they ought to be—experts—equal to any special in the field.

The three-quarter clause, now talked of so lovingly, will not accomplish the result you desire. It will only multiply your sorrows. Your incompetent and *interested agent* will still write $10,000 on a $6,000 risk.

Forms of Policies.

[From a paper by B. Faymonville, read at the ninth annual meeting of the Underwriters' Association of the Pacific.]

The necessity of requiring a regularly signed application upon which to issue policies, is every day becoming more apparent. Upon the adjuster particularly does this necessity impress itself, as he stalks about viewing the ruins, and making his investigation, often finding that the assured, instead of signing his application, made no representations whatever to the agent. The application is the warranty of the assured of the existence of certain facts and conditions, which influence a company in accepting or rejecting a risk. Now if we do not require that this warranty be signed by the party making it, who is to blame if, when the loss occurs, we find ourselves deceived?

Many agents seem to think that because they know all about a risk, the company should be content. We can only account for this absurd notion, and the tenacity with which it is adhered to, upon the hypothesis that all men are to a varying degree fond of power; that they delight in arrogating to themselves the powers and functions of those above them in authority, and that they consider it a reflection upon this coveted authority to be obliged to consult with or refer to the home office.

Again, many men in the insurance business have the impression that the ordinary application contains altogether too much irrelevant matter, and they cannot see the reason why it is put there. It is human nature to doubt the efficacy of that which you do not understand, and to this fact do we attribute, to a large extent, the inclination of agents to slight questions in applications the reason whereof they cannot see. But whatever the cause may be, the remedy lies within the power of the "special" who appoints and instructs the agent.

THE INSURANCE POLICY,

roughly considered, constitutes a declaration of what we promise to do, and a statement of what we will not do in certain contingencies, some policies promising more, others less; but whatever is promised or stated, let it be done in language which will admit of no misconstruction. It would be impossible to enumerate all the complications which have arisen from time to time by reason of intentional or unintentional disregard of this rule, or to compute the enormous amounts which insurance companies have been compelled to pay on promises they never dreamed of making. In vain have they urged that it was not the *intention*, upon issuing their policies. Where there is any doubt, the assured will almost invariably get the benefit thereof, for of all parties in conflict, none seem to be denied the benefit of primary intent so universally as insurance companies. Nor is this done without reason, for ours is a business of selling promises, and were the privilege accorded us (no matter to how small a degree) of determining the value of the promises we sell, *after* we are called upon to fullfil them, insurance would soon cease to insure. Knowing these facts and realizing our position, our only remedy seems to lie in removing all doubtful features and clauses from our policies.

We cannot enter into a discussion of

THE PRINTED TERMS

of policies in this report, as there are very many different forms, and a thorough discussion would probably fill a volume, yea, several volumes. These terms are usually inserted in the policies by the "powers that be" in the head office, and very few of us have the authority to change or alter them. We know of no local agent who has the power to change the printed terms, and yet we find that by careless policy writing they often waive them. Remember, that where a printed term conflicts with the written part of a policy, the latter is generally construed as constituting a waiver of the former. You can therefore see the necessity for every policy-writing agent knowing what the printed terms are of the policy which he issues

It is surprising to note with what extreme indifference some of our best local agents seem to regard the printed terms of policies, and we cannot help believing that they do not properly realize their responsibility as agents. Should these same parties enter personally into a contract of equal magnitude, they would probably use the utmost caution to see that the terms were as they intended them to be.

Nor are policies issued as a mere "matter of form" as some agents would make us believe. There should be no hesitancy in explaining the terms of the policy to the assured. He may consider them too rigid, but if you cannot satisfy him fully with an honest explanation, let him go, as the company can better afford to lose him as a customer than to manufacture a form of policy to please him.

The growing tendency to grant liberal forms of policies or endorsements is

A SIGN OF WEAKNESS

in the spinal column of the body of insurance men, and something should be done to strengthen it. Whether these forms be granted to keep a good customer in camp, or held out as bait to lure one from a rival's den, they are none the less objectionable, and generally result, in case of loss, in making us respond with more indemnity than we bargained to deliver or received pay for.

As to what property is insurable we have to state that the subject properly belongs to some other committee, but we consider that anything the value whereof is easily determined is insurable, its quality as an insurance risk depending upon the rate of premium paid. It is true that some risks are worth about 115 per cent., but they are insurable, nevertheless.

INSURE THE ACTUAL OWNER OF PROPERTY.

We think that too much care cannot be taken to impress upon our agents the necessity of following this rule. Often does the adjuster find that a policy has been written in the name of some one having no interest, or merely a mortgagee interest, in the property insured. The discoveries are followed by the usual result, a refusal of the company to pay for any but the assured's interest, a legal consultation, and a lawsuit.

DESCRIPTION OF THE BUILDING INSURED.

You cannot be too particular in describing the building insured minutely, or the building containing the property insured. The policy should be written so clearly that the question cannot arise in the mind of the assured as to whether his policy, covering "on a two-story frame building" also covers a "one-story addition;" or whether his policy, covering on his merchandise "in the two-story frame building," also covers on merchandise "in his one-story frame warehouse adjoining."

"WHILE OCCUPIED EXCLUSIVELY AS."

It has been customary to merely use the words "while occupied" in this connection, and while we think that these two words would probably enforce the occupancy, for the purposes mentioned, we hardly believe that they would prevent additional occupancies. Let us take a case, for example, where a policy covered on the "one-story frame building while occupied as a saloon." What is there in this wording to prevent the said building from being occupied also as a meat market? In case of loss the adjuster would find that the building was occupied as a saloon, as required by the policy, and nothing therein to prevent same from being occupied for additional purposes. We think that the word "exclusively" used in the above connection would remedy the difficulty.

STATEMENT

OF THE

CONDITION AND AFFAIRS

OF THE

ORIENT



INS. CO.

OF

HARTFORD, CONNECTICUT.

ON THE

31st Day December A. D. 1866.

Capital, ... **$ 1,000,000.00**

Amount of Capital Stock paid up in Cash $1,000,000 00

ASSETS.

Real Estate owned by Company	$	37,115 27
Loans on Bond and Mortgage		239,576 67
Cash Market Value of all Stocks and Bonds owned by Company		918,184 25
Amount of Loans secured by pledge of Bonds, Stocks, and other marketable securities as collateral		87,210 00
Cash in Company's Office		3,950 63
Cash in Banks		78,932 63
Interest and Rent due and accrued		16,844 07
Premiums in due Course of Collection		92,629 67
TOTAL ASSETS	$	1,474,443 19

LIABILITIES.

Losses Adjusted and Unpaid and in Process of Adjustment or in Suspense	$	66,492 93
Gross Premiums on Fire Risks running one year or less, $419,595.92, re-insurance 50		209,797 96
Gross Premiums on Fire Risks running more than one year, $207,126.05, reinsurance pro rata		111,900 60
Commissions and Brokerage due and to become due		12,774 43
	$	400,965,92
Capital Stock		1,000,000 00
Surplus over Capital and all other Liabilities		73,477 27
	$	1,474,443 19

INCOME

Net Cash actually received for Fire Premiums	$	518,034 79
Received for interest and dividends on Bonds, Stocks, Loans and from all other sources		67,990 42
TOTAL INCOME	$	586,025 21

EXPENDITURES.

Net amount paid for Fire Losses, including $59,988 36 losses of previous years	$	316,597 25
Paid or allowed for Commission or Brokerage		88,741 06
Paid for Salaries, Fees and other charges for officers, clerks, etc		39,352 39
Paid for State, National and Local Taxes		11,925 22
All other Payments and Expenditures		48,096 70
TOTAL EXPENDITURES	$	504,712 62

GEO. DORNIN, - - - - *Manager*

WM. SEXTON. - - *Assistant Manager*

PACIFIC DEPARTMENT,

322 MONTGOMERY STREET, - - *SAN FRANCISCO.*


ORIENT

"WHILE SITUATE AS PER DIAGRAM."

When a company accepts a risk at a certain rate, it does so after having duly considered all its surroundings, both moral and physical, and if any change takes place in either, they should have the privilege of determining whether they wish to continue the policy or to cancel it. Without the word "while," the term "situate" might be considered descriptive only and bind the company, notwithstanding the fact that the building insured or containing the property insured, had been moved into a range, or a range had been built around it. When changes take place, the policy should cease until the company or its representative has accepted proper notice of the change by endorsement.

NEW AND UNUSED STOCK OF MERCHANDISE.

The words "new and unused" are not written here as the best that could be used in this connection, but we will try to illustrate the object of inserting them, and underwriters may then choose their own language to cover the case. In the course of an adjustment of a loss on a country merchandise store, it was found that nearly one-third of the stock consisted of second-hand goods, which had cost the assured indefinite prices, some having been taken in satisfaction of debts, while some had been bought for cash, and as a result the matter of determining the "cash value" was a very difficult one. It was not intended by the company to cover a second-hand stock when they wrote out the policy, not having charged the rate usually charged on second-hand stocks. There was no remedy, however, as the policy covered on "stock of merchandise," and the matter of intent cut no figure.

We call your attention to the fact, in order that the proper precaution may be taken, as the majority of country stores deal in this class of goods.

"$——ON HIS FIXED AND MOVABLE MACHINERY OTHER THAN IS SPECIFICALLY INSURED."—"$——ON HIS ENGINE AND BOILER."

The reason for inserting the words "other than is specifically insured," is quite obvious. Should a loss occur under a policy which did not contain said clause, damaging the engine and boiler to a greater amount than was specifically insured thereon, the amount covering on fixed and movable machinery would be made to cover the surplus loss, as the engine and boiler would be covered by the terms "fixed and movable machinery." Under the above clause no machinery or parts of machinery which might be found specifically insured in other companies would be covered by the item first above-mentioned, as it does not limit the exception to the policy containing it. The same remarks will pertain to policies covering on household furniture, and a separate amount on beds and bedding.

We know that it is desirable to make policies cover as specifically as possible, at the same time we submit that there is a possibility of carrying specific writing too far, thereby depriving the assured of the indemnity for which he paid and to which he is justly entitled. We have in mind a case where a dwelling policy was made to cover specific amounts on not only each main item of furniture, but separate amounts on the furniture contained in each room.

Another objection to this mode of writing is, that the company which writes a policy on the same property first, but which uses the usual form of policy (dwelling), finds, when the loss occurs, that it has written a decidedly blankety policy as compared with policy No. 2. We will not try to discuss the points of adjustment in a case of this kind, but submit it to Messrs. Sexton and Kinne.

"ALL WHILE CONTAINED IN."

It is needless to call your attention to the decisions of Courts which make the word "while" so necessary in the above clause. These decisions, in brief, resolve those policies which do not contain the word "while" into floating policies, and while you innocently imagine that they are covering at Maxwell, they may cover at Milpitas. In other words, a policy without the word "while" covers the property wherever it may be after the issuance of the same. Nor are we prepared to assert that the word "while," as used above, will entirely remedy the difficulty.

ON ENGINE, BOILER AND THEIR CONNECTIONS.

We do not fancy the term "and their

connections," as it is decidedly obscure, and, not unlike the figure "etc.," may mean a great deal. Some able minds hold that the term includes all connections up to and including the *first joint*, while others hold that it includes everything up to the *first motion wheel*. At all events, until its meaning is more clearly defined, we would recommend that it be omitted from policies as the term "fixed and movable machinery" would probably cover all that is meant by the aforementioned clause.

CEASING TO COVER AS LAST WRITTEN.

In all endorsements transferring insurance from one locality to another, do not fail to insert this clause, for without it, or other words covering the same idea, your policy will probably cover in two places at one time, thus making you carry two risks for one premium.

THE WORD "NOTHING" IN PRINTED BLANKS.

We desire to call the attention of the fraternity to the necessity of writing the word "nothing" in the "dollar" blank usually found in printed slips, if it is not intended to cover such item. Unless this be done, the insurance on the first item will cover on all the others in succession.

The Union Central Life Insurance Company of Cincinnati.

The eighteenth annual statement of this popular and successful Ohio company makes a very encouraging exhibit, showing a steady and healthy growth in all its departments. The gross assets advanced to $2 317,855.88, by a flattering gain of $307,395.79. Of this sum, $1,609,109.92 is invested in first mortgage loans upon real estate worth double the amount loaned, exclusive of improvements. The interest earned last year averaged 7 per cent., which places the Union Central in the lead in this respect. The net surplus over all liabilities is $446,973.07.

Substantial progress was made in membership during 1884 by an increase of 953, adding $1,673,243 insurance, and bringing up the premium income to $621,913.38. The total number of policies in force is now 8,632.

The care exercised in the selection of risks is indicated by the very favorable mortality, which was $14,000 less than that of the previous year, although the amount at risk was greatly increased. The total amount paid policy holders, in death claims, endowments, dividends, etc., was $215,723.67. We may add, incidentally, that the dividend rate of this company compares favorably with other companies.

During the eighteen years of its existence the Union Central Life has distributed $3,166.737 37 to its policy holders, besides accumulating $2,317,855.88 to meet claims maturing in the future. It is a conservative company, is economicaly managed, and has the unlimited confidence of the business men of Cincinnati and the State, where it takes first rank as a financial institution. The Insurance Commissioner, in his examination last November, complimented the managers on the investment of the company's funds.

The Union Central Life has recently established an agency in this city, and appointed Messrs. Hatch & McDonald as its representatives. Those gentlemen are now located at 33 Kearny street, and will doubtless soon win for the company a business commensurate with its claims.

"We are Incorporated."

"Incorporated" is a catch-penny word in great favor with co-operative managers and solicitors. They make it a synonym for reliability and stability, and any sort of ability that may be required. If a man doubts the character of the managers of the company or association or "society," the solicitor triumphantly calls attention to the fact that the concern is incorporated. If it is objected that there are no assets, the solicitor "points with pride" to "incorporated." If it is doubted that the association can pay its promises, the answer is, "We are incorporated." "Your managers may not be experienced." "Oh yes! the Mutual Endowment is incorporated." "I'm afraid that you fellows are not to be trusted; you may run off with the funds, or levy assessments on fictitious deaths." "No danger, my dear sir. We are incorporated!"

The "incorporated" argument is thought

to be unanswerable. Judging from the frequency with which it is employed, and the ignorance of most of the men who insure in co-operative life insurance schemes, the argument is probably convincing in most cases. Yet, as every person of common sense ought to know, the incorporation of any association by the State does not constitute a voucher for such association. Incorporation simply bestows upon the concern a legal character, giving it certain formal rights and duties, by which it may sue and be sued, etc. The State does not say that its managers are worthy of any confidence, or that the scheme is practicable, or that it has capital or assets.

John Smith and Jacob Jones may incorporate as the Imperial Corner Grocery Company, without a dollar of capital or credit, as easily as two or more adventurers may incorporate the Self-Endowment Association of Lunatics at Large or the Home Benefit Association of Incorrigible Fools; but in no instance is the act of incorporation an evidence of the value of any enterprise or the trustworthiness of the incorporators. But there are people so guileless as to imagine that incorporation is in some way a guarantee by the State. It is only a few days since a lady called at the REVIEW office for information as to the Youth's Mutual Endowment Association. She returned in a few days with the statement that we must be mistaken in warning her to place no confidencec in the scheme, for the managers had informed her that they were "incorporated!"

The American Insurance Company of Newark, N. J.

The past year, so severely unfriendly to most companies, treated this conservative New Jersey corporation with "distinguished consideration," and enabled it to add another round to its ladder of assets, as it has not failed to do yearly since 1861. Since that time, round by round, step by step, the assets have advanced, with beautiful regularity, from $238,043 to $1,721,424, the present amount. During 1884 gains were made in assets, net surplus and premium income, and the loss ratio was only 41 per cent., a gratifying reduction of 5 per cent. Thus it will be seen that the managers of the company may well feel far less than the average concern in the annual fire waste for which these United States are notorious.

The American presents the rare spectacle of a company with a net surplus almost as large as its liabilities and cash capital combined. The liabilities are $276,674, of which $227,367 is for re-insurance reserve. Including the $600,000 cash capital among the liabilities, we have left as a net surplus the handsome sum of $844 750, making the surplus as regards policy holders, exclusive of the re-insurance reserve, no less than $1,444,750.

The assets show a gain of $57,584, and are now $1,721,474. It is interesting to note that $610,000 of this amount is invested in United States bonds. The premium income advanced from $283.509 to $331,420, an increase of $47,911. The net surplus gained $11,344.

In this field the American is represented by Balfour, Guthrie & Co., Geo. W. Spencer, Manager. Its loss outgo on its Pacific Coast business last year was only 15.2 per cent. ofthe premium income.

The resources and record of this company, and its exceptionally large net surplus, form an attractive combination.

Confession of a Fraternal Co-operative.

We thought that in this number of the REVIEW, at least, we would devote no space to the somewhat wearisome but important subject of co-operative life insurance; but here is the frank confession of a reputable fraternal co-operative, confirming the warnings of the insurance press and the old-liners; and this confession is deserving of the services of this journal in rescuing it from oblivion. It is an appealing circular by the Illinois Masons' Benevelent Society, located at Princeton, Ill., and is addressed to its 5,000 members. The organization is a representative one, has been honorably managed, and its members live in one of the wealthiest and most prosperous sections in the United States. It was organized in 1871, and its

income since it began business has been about $3,000,000, chiefly from assessments. All the possibilities of success were exceptionally favorable, yet it is on the verge of failure. The new members are not "attracted in sufficient numbers to reduce the average age," and the "older men remain with us." "The society has outlived the scheme upon which it was founded," and "languishes." "Only the middle-aged and old men remain members." But here is an extract from the circular itself:

"Upon your verdict rests the stability and fate of this organization. Conceived, as it was, to offer tempting returns for moderate investments, it has never been upon an equitable basis, and lack of equity is a bar to perpetuity the wisest management cannot surmount. The permanent fund has mainly caused its longevity, thus far doubling the average life of co-operative societies of this character. Inequity in assessments saps the vitality and threatens dissolution. To-day its inducements encourage only the middle-aged and old men to remain members. The burden rests upon the young alone. The average age of the members is now so high, and the expectancy so short, as to darken the hopes for the future. These facts are but the anticipated results of many years' knowledge, to prevent which (and to maintain at the same time the basis of membership without departure from the original plan), several changes have been suggested and cheerfully ratified. The results have not met our hopes. The society languishes, and while the older men remain with us, without diminished risks, the young fail to be attracted in numbers sufficient to reduce the average age. The society to-day has assets far beyond solvency, but it cannot guarantee for the future unless based upon absolute equity. To effect and perfect this purpose you are asked to change our basis of assessment, that each member shall pay actual and equitable cost, with absolute expense additional for the risk incurred. The society has outlived the scheme upon which it was founded. It can survive the future only upon an enduring basis, with inducements alike equitable to all ages. This basis we place before you in figures founded upon facts and actual experience of three-fourths of a century."

Portland Correspondence.

PORTLAND, Or., Feb. 25, 1885.

EDITOR COAST REVIEW — The Oregon Legislature has adjourned, and it is pleasant to relate that the insurance companies still survive, in spite of the numerous unjust attacks made on them by some of the most distinguished "law churners;" so for the next two years we shall be granted a respite from any more misguided efforts, made presumably on behalf of the "dear public," for whom, in reality, many of this celebrated body of men, like Vanderbilt, do not give a tinker's continental blank.

The $750 license was killed. The valued policy bill called up a good deal of promiscuous correspondence from all parts of the State, but no single argument could be brought forward to substantiate the justness of this intended law; on the contrary, it took but little to tear the flimsy communications apart.

The deposit law was not repealed. This will no doubt prove a blessing in disguise for any companies which might otherwise have come, for now they may not have a chance to compete and see who shall pay the most losses.

It may be of some interest for your readers to know that in connection with some insurance matters the other day, I had to gather information about the future prospects of the Cœur d'Alene mining country. The report I got was certainly of a most encouraging nature, and if only a tenth part of what I heard, from parties who have recently been on the ground, is true, there is indeed a good time ahead. One claim, it is reported, was bought by an English party for half a million dollars, and many other claims have commanded large prices; furthermore it is the intention of these parties to pitch right in, and literally dig up the gold by the bushel, which is absolutely known to exist in large quantities. Smelting works will be put up, quartz mills erected and any amount of capital will be invested to prove the fabulous values of these mines. My talk may

Western Assurance Company

OF TORONTO, CANADA.

United States Branch Statement, Jan. 1, 1885.

ASSETS.

U. S. Bonds	$553,720 00
Georgia State Bonds	27,000 00
Cash on Deposit, Insurance Department	15,000 00
Cash in Banks	189,200 46
Premiums in course of collection, and other Accounts,	96,374 01
Total Assets	$881,294 47

LIABILITIES.

Unpaid Losses and other Liabilities	$98,130 56
Surplus for United States Policy-Holders	***$783,163 91***

$100,000 U. S. 4 Per Cent. Bonds deposited in State Treasury of California.

BUTLER & HALDAN,

General Agents for Pacific Coast,

NO. 405 CALIFORNIA STREET,

SAN FRANCISCO.

seem somewhat on the Arabian Nights' principle, but I have good reason to believe what I have heard. Portland merchants are, I understand, making strenuous efforts to secure the trade pertaining to this new mining region, and I only hope they may be successful in their efforts, for times continue so dull here, and failures are so plentiful, that we need some new enterprise to stir things up again. My advice to all "busted" insurance agents, solicitors and adjusters, is to hie to the Cœur d'Alene mines and there replenish their played out pocket books, but they must be prepared to rough it and work harder than they ever did in their lives before.

Amos Sewall, after a year's work here, during which period he made many friends, has been recalled to California.

H. E. Parkhurst has resigned his position here in the Compact office, and accepts a situation in San Francisco.

C. Van Dyck Hubbard, who has been looking up the interests of his company in this section of the country, when asked by me for his opinion of us and our "glorious prospects," wisely remarked that at present we had more future than anything else.

Many of us were pleased to see Otho Hall, who is one of our old timers. He comes up to do the country for the next couple of months.

The Oregon Fire & Marine will, I learn, soon make up their minds to either enter the Portland Compact or else withdraw entirely from the Association. They are hurried on to this action by the merging of the Portland Compact into the Northwestern Association, which forces them to one thing or the other.

Mr. Fenn paid us a visit, but did not tarry long in Portland.

In response to some very pungent questions put forward by "Observer" in the *Oregonian*, the State Insurance Co. fellows make a very thin reply. Among other things the company's monthpiece says: "We also learn that it is doing much the largest business of any company in this State, where it is located, which is the best recommendation it can have." I think Mr. State makes a grave mistake in this statement, for to us poor, inexperienced underwriters, it is an open question of very serious import whether it is wise to do the "largest business" in this State during the present dull period.

Fires in Portland since last writing will aggregate loss of about $3,000, but the loss on E. W. Whipple & Co., of Cottage Grove, with a fire at Colfax, will tend to swell the loss account more than we appreciate just now.

Messrs. Creitz & Lambert, old East Portlanders, are representing several sterling companies in the Garden Patch city, and they are doing nicely.

The statistical information in your February REVIEW was studied over with great interest by us all, as we are anxious to see how our companies are doing in other parts of the world, besides in the genial webfootland. Yours very truly,

NAOLS.

Letter from Los Angeles.

LOS ANGELES, March 1st, 1885.

EDITOR COAST REVIEW: Four months have passed since the request of the Los Angeles agents was granted, and our city made the place for first setting the compact in operation in California; four months of varied, but, on the whole, decidedly successful experience. If "the course of true love never did run smooth," it could hardly have been expected that this Union would prove entirely unruffled; and soon after its formation the minds and tempers of the members were greatly disturbed by what appeared, not only to them, but to many in San Francisco, an injustice, though not intended as such. Happily, the evils which were expected to follow this precedent have not been felt, and the storm has passed by. Possibly, we may need an occasional reminder that rules and rates of general application may not fit exactly every case. And even in this prospective capital of an imperial State, our ladies must yet a while longer look to Paris for fashions, and our insurance men be content to receive instructions from San Francisco.

THE NEW RATES.

As to the new rates, it was to be expected that the corps of surveyors, hastening, if

not hurrying, through the State—even with the skilled Nichols at their head—would make some errors and omissions; and we have had our share of them, most of which, I trust, have been discovered. At the suggestion of Manager Stillman, whose welcome visit was all too short, a committee was appointed to examine all complaints of rates, and their report has gone to headquarters. It is abundantly evident that the great trouble from which we now suffer is not of the present, but of the past—is not with the Union, but from the suicidal practices prevailing during a long and baleful period of disunion.

Until recently I had not formed the least idea of the enormous amount of the insurance business of this city; but the agents of the Home & Phœnix have taken from some of us "lines stretching out unto the crack of doom," for size, and as the sands of the sea for multitude. It is

ONE OF THE BLESSINGS

for which we cannot be too thankful, that about 99 per cent. of the business thus lost had never before been possessed but only "promised." The Miles Bros., the agents here of those companies, are gentlemen too honorable to take advantage of their peculiar position, to be guilty of a meanness, and of too great business sense to cut indiscriminately, or exhibit a foolish hostility. It is our good fortune that, while they have been true to the interests of their companies, the business has been in no way demoralized by their acts. This much is due to them, now that the quarrel is over, and we, like a band of children, are harmoniously skipping along in search of the pretty flowers of premiums and the sweet berries of commissions, swinging clasped hands and gaily carrolling, "let dogs delight to bark and bite," etc., etc., the Miles Bros. joining our band of innocents, their rosy cheeks still moist with the kissess of welcome. (This is figurative.)

Now that we are united, every agent who has respect for himself or his vocation, will stand up for the rates, and do his best to convince his customers of the benefit to all parties of rates and rules founded on principle, over "the rule of thumb," so long a disgrace and peril to underwriting.

PROSPECTS:

They are not good. Causes well understood have depressed business interests throughout East and West. In Los Angeles, the contrast between the premium returns of 1883 and of 1885, is likely to prove quite marked. Then, every morning saw the first load of lumber for a new house, followed by a host of insurance agents, solicitors and tramps, crowded by real estate agents too numerous to mention, and eager to secure their unearned and begrudged 15 per cent. Now, the dwellings are comparatively few. Then, every week was marked by the opening of a new "store," with fresh stock, while the older dealers were at their wits' end to find room for their fast increasing invoices. Now, prudent merchants are reducing stock, and those less prudent or less fortunate are preparing for the inevitable winding up or change of base. Then was the rush of applications so dear to the agent's heart; now, to keep the risks already on his books, or to gain enough to make good the losses, is his highest ambition. To add to the contrast with the "good old times," then many of the premiums were for three years, which cannot be renewed before another year: now those "twice blessed" mercies are as scarce as dew in the high lands. And to complete the woeful tale, then there were but about two-thirds the number of companies and agents to revel at the feast that now scramble for the crumbs. With good crops, the beginning of a brighter day will come, and there can be little doubt that Los Angeles will be the first to be benefited by the surely coming immigration. Till then, let Managers and General Agents be patient.

ITEMS.

A few weeks ago we had a fire on Boyle Heights. Our two engines arrived about twenty minutes after the alarm had been given. Nearest fire plug 2,400 feet away; engine No. 1 hitched on and played 1,300 feet into No. 2. Result: hose burst twice. Singular to say, fire kept a going when engines stopped. Without greater regard for the weakness of our hose, fires should not be encouraged. This one, in particular, should have broken out much nearer the fire

plug. We feel quite put out about it, which is more than the fire did. Loss, about $10,000, of which about $7,200 was paid by insurance companies.

Mayor Spence has recommended establishing a paid fire department, and some system of fire alarm more modern than that now retained, out of respect to the memories of the earliest settlers, viz: yelling and firing pistols. I only hope we may get them. Our firemen are active and interested in the work, and equal to those of any city; but there is an utter lack of efficient organization, and no controlling authority.

At the meeting of the Council on February 26th, the Clerk was instructed to advertise for two steam fire engines, also for an electric alarm system fifteen miles long, with twenty boxes, towers and all necessary appliances. M.

The Connecticut Mutual Life Insurance Company.

The many policy-holders and friends of this great American life insurance company will read with the usual pleasure the annual statement, it furnishing unassailable evidence of the prosperity of the company and the financial ability and conservative prudence of the management. During 1884, the premium receipts were $4,707,437.42, and the total income was $7,502,014.90. Of this sum, $5,512,306.63 was paid to policy-holders, or $804,869.21 more than the premium receipts. Facts like these testify eloquently for genuine life insurance. The net assets were increased over a million dollars. The ratio of expenses to receipts was only 8.7 per cent.

The amount now at risk is $152,230,685. The liability on account of the risk, computed by a higher standard than is used by any other company, is $49,308,208.34. The present resources being $53,430,032,91, there remains a clear surplus, by the strictest test of solvency, of $4.121,824,57. By the Connecticut standard of 4 per cent. interest, the net surplus is still greater, and by the New York standard of 4½ per cent. it is over $7,300,000. Entrenched behind an impregnable breastwork like this the company may contemptuously defy the assaults of its enemies.

Of the $53,430,032 91 assets belonging to the Connecticut Mutual Life, over half is invested in first lien loans on first-class real estate, and the remainder is invested about equally in choice real estate and State and city bonds. Of the real estate taken under foreclosure, $3,697,237.36 worth has been disposed of at a net profit of $426,616 91. The Commissioner's valuation of the property in 1879 was nearly a million dollars less than it sold for. The result confirms the financial judgment that persisted in holding on to foreclosed real estate until the business world could regain its normal activity.

In its thirty-nine years of business, the company has received from its members, in premiums $137,558,478.17, and has paid them in return $112,253,250.69. Adding the present resources of the company, the amount held in trust for and the amount returned to policy-holders are together over twenty-eight million dollars in excess of the premium receipts.

Life Insurance Assets.

Following is a comparative table of the assets of the principal American life insurance companies on January 1st of 1884 and 1883. Nearly all the companies report progress in this direction, despite dull times and shrinkage of securities:

Companies.	1884.	1883.
Mutual Life, New York	$103,876,179	$101,148,248
New York Life, New York	59,283,754	55,542,903
Equitable, New York	58,161,926	53,030,582
Connecticut Mutual, Hartford	53,430,033	52,571,101
Mutual Benefit, Newark	38,615,319	37,589,928
Ætna Life, Hartford	29,771,230	29,080,556
Northwst'n Mutual, Milwaukee.	22,528,971	21,115,321
New Eng. Mutual, Boston	17,095,567	16,913,730
Manhattan, New York	11,046,053	10,871,184
Germania, Life, New York	10,857,819	10,402,356
Phœnix Mutual, Hartford	10,537,870	10,628,654
Penn. Mutual, Philadelphia	9,663,384	9,011,899
Provident, L. & F., Phila	9,127,324	8,231,060
Travelers, Hartford	7,826,457	7,435,978
Mass. Mutual, Springfield	7,553,350	7,588,727
Washington, New York	7,304,910	7,006,885
Union Mutual, Maine	6,322,002	5,274,352
Home, New York	5,461,144	5,408,129
U. S. Life, New York	5,209,687	5,268,212
Berkshire, Mass	3,758,218	3,683,086
State Mutual, Mass	3,549,301	3,301,788
National, Vermont	3,185,820	2,950,548

National, U. S. of A.....	2,837,675	3,001,792
John Hancock, Boston.....	2,629,864	2,587,268
American Life, New York.....	2,549,394	3,001,437
Union Central, Cincinnati.....	2,317,856	2,010,460
Brooklyn Life, New York.....	1,574,367	1,552,046
Conn. General, Hartford.....	1,489,381	1,430,398
Michigan Mutual, Detroit.....	1,380,876	1,231,879
Pac. Mutual, San Francisco....	1,263,014	1,182,152
Hartford, L. & A., Hartford....	1,259,666	1,182,289

Ninth Annual Meeting of the Fire Underwriters' Association of the Pacific.

Some very excellent papers were read at the annual meeting of this association of Pacific Coast underwriters, which was held in this city on the 17th and 18th of February. The discussion elicited by the papers was highly practical and more general than is usual on such occasions. The attendance was large. The annual address, which we print elsewhere, was delivered by President Sexton.

Papers were read as follows: Local Agents, by H. M. Grant; Local Agents, by B. B. Lee of Red Bluff; Forms of Policies, by B. Faymonville; Waiver and Estoppel, by Peter Winne of Denver; Losses and Adjustments, by T. W. Fenn; Rules for Apportionment, by A. R. Gunnison; Legislation and Taxation, by J. F. Houghton; Fire Department and Water Supply, by E. Brown; Statistics, by C. D. Haven; Classifications, by Geo. W. Dornin. The Knapsack, a collection of short, anonymous communications, was read by Col. Kinne. All these papers will be printed in the COAST REVIEW in theorder in which they were read, though we shall take the liberty to condense them according to the demands made upon our space.

The discussion of these papers, as we have said, was general, pointed and useful. The credit system, policy forms, loss proofs, brokers, and rules for apportion of non-concurrent losses, received especial attention, and drew forth many good ideas and interesting personal experiences. The very unique and mirthful report of the Executive Committee, by Chairman Geo. Grant, provoked much laughter.

The following named gentlemen were elected members of the association: John Landers, Melville S. Levy, C. C. Bush, Richard Faraday, A. J. Wetzlar and a Mr. Conway. Messrs. B. B. Lee and Peter Winne were elected honorary members.

Following are the officers chosen for the ensuing year: President, C. Mason Kinne; Vice-President, Z. P. Clark; Secretary and Treasurer, R. H. Naunton; Executive Committee, Geo. F. Grant, H. W. Snow and Oliver Hawes.

On the evening of the 17th the annual banquet was given at the Maison Dorè. It is needless to add that it was a thoroughly enjoyable affair, being under the direction of the old-time dinner committee, Messrs. Grant, Hunt and Spencer. The tables were "in fair order spread" with alluring viands of "choicest sort and savor," and "delicious wines the attending heralds brought"—a "fragrant feast." Around the fraternal board were gathered some forty or fifty underwriters. The banquet was enlivened by toasts and responses, songs, anecdotes, and the sweet music of the "warbling wire" and the twanging string; and it was not until a late hour that the banqueters arose from the table and turned their faces homeward.

Contemporary Views.

SPECIAL RISKS IN AMERICA AND ENGLAND.

In dealing with special risks, and particularly in the matter of rating and inspecting them, our American brethren are quite twenty years ahead of us—judging by the slow progress made by our underwriters in adopting new ideas. One explanation of this is, the United States offices are numerous, and having only a small business as a rule to deal with, and make a profit upon, the half measures pursued here would inevitably bring ruin there in a very short space of time. Statistical experience of special risks, therefore, has long been a matter of necessity in the States, and as soon as it is ascertained that a risk does not pay, rates must go up to a remunerative point; while with us, few offices appear to know their real position, and continue to go on accepting business on risks the loss ratio of which it has been found runs up to 150 per cent. and upwards of the premiums. Only one or two of our offices have recorded their own expe-

rience, and from the record of one of these we are in a position to state that the average rate it obtained on British (United Kingdom) business, apart from all other business, was only 4s. 5½d. per cent. on the risks written, or just about one-fourth the rate carried on United States risks. This we consider a startling fact, and alone would indicate an abnormal state of affairs, and shows clearly that a profit has not and cannot be realized on British business under present circumstances. Certainly, British risks are not four times better than those of the United States; therefore, rates must now be put up, and in no half-hearted manner, as in the past, otherwise the look-out for shareholders in the future will be anything but an encouraging one in respect of dividends.—*London Finance Chronicle.*

MORTALITY STATISTICS.

Large as are the aggregate statistics of the companies, they are in reality small when compared with the population which they are supposed to represent. By far the greatest aggregate of life insurance statistics ever gathered in this country, and which are inclusive of about all the others, are those which form the basis of Mr. Meech's tables. They are the combined experience of thirty companies, dating away back to the advent of the old Mutual Life, in 1843. They embrace the records of, in round numbers, a million of insured lives. The statement at first looks most formidable. The experience of a million of insured, certainly, should furnish a basis reliable beyond cavil. So it would, were the history a complete one, or even approaching completeness. But on the contrary, this, the joint contribution of all our companies, so far from that, is a completed record of only about forty-six thousand persons; or, allowing for the members who held more than one policy, perhaps less than forty thousand. Of the remainder, nearly one-half discontinued, most of them after a brief experience; and the other half are mainly represented by recent entrants. A fraction over four years is the average duration of each policy, and a fraction over four million years is the total amount of insured life here represented. To understand the significance of these figures, they are, in the language of the science of probabilities, as four million of balls drawn at random from an aggregate population, past and present, of, say, twenty millions of insurable males, each on an average with an expectation of thirty years, or six hundred millions of balls; four million balls drawn out of six hundred millions, and these scattered among about fifty different urns, or ages. Only about forty thousand lives are traced to their termination, from which to judge of the death rate of at least ten millions of insurable population. Such is the imperfect and fragmentary character of the aggregate experience of all our companies, for the past forty years. But is it on this account to be deemed unreliable, or unworthy of credence? By no means. A record of four millions of drawings from an urn whose balls were as the sands of the seashore, would ordinarily be evidence of the strongest as to the nature of the contents. But suppose the drawings were from a single part of the urn, and there were reasons to suspect that the contents had been unequally distributed. At once our estimate of reliability must be lowered. Something of this kind belongs to our statistics. They are the story, not of whole lives, but mainly of brief experiences of a few years, with lives selected as healthy at the start.—*W. S. Nichols.*

THROWING OFF COMMISSIONS.

To "throw off commissions" is a direct and a needless addition to the cost of insurance to all the persons insured in a company gaining new business thereby. It is safe to say that, if it were stopped, the first cost of new business could be reduced at least one-half. It is needless, because all except the speculative business could be had without it—and the speculative business is of no ultimate value to any company. To "throw off commissions" is a tacit admission of one of three things: either that the rates charged are too high, in which case they ought to be reduced to all alike, upon the responsibility of the directors and managers, and not cut hap-hazard at the will of an agent who wants to get as much out of them as he can for himself; or that the business on its own

proper merits, as conducted by the companies whose premiums are so cut, is not sufficiently attractive to make people willing to pay the proper rate, but only such a figure as makes it, in their eyes, a likely speculation; or that the company's need of new business is so great that it must be had at any cost and by any means.—*Jacob L. Greene.*

The Western Assurance Company of Toronto.

The name of this representative Canadian company beginning with a "W," it stands at the bottom in printed lists of companies, but that is not where it belongs in point of assets or business transacted, for it is a millionaire company in both respects.

The United States branch of the Western has assets to the amount of $831,294, of which $100,000 in U. S. bonds is deposited in the State treasury of California. Of the the United States branch assets, $553,720 is invested in United States bonds, and $189,200 is cash in banks. Deducting from the assets $98,130 for unpaid losses and other liabilities, and there is left to the credit of American policyholders no less a sum than $783,164. Including the reinsurance reserve among the liabilities, the result is a net surplus over all of the handsome sum of $312,710. The total premium income of the "branch" for 1884 was $956,649, a creditable gain of $111,613.

In this field, where the Western is represented by Messrs. Butler & Haldan, a profitable business was transacted last year.

The Home and Phœnix Join the Pacific Insurance Union.

It is with especial pleasure that we chronicle the addition of the Home and Phœnix to the companies composing the Pacific Insurance Union. This important event, so long hoped for, was brought about by mutual concessions, and there is therefore nothing humiliating, nothing savoring of defeat, to either side in the struggle. It is neither a victory nor a defeat for Manager Magill and his companies, nor for the Union. Neither got all that was so stubbornly demanded.

With the Home and Phœnix in the Union, the prospects for its permanent success are vastly improved; but it is not to be imagined for a moment that there is to be clear sailing hereafter. Breakers will appear most unexpectedly, and to avoid them will require some very skillful management of the unwieldy craft.

The smaller companies must expect to lose some business, for with equal rates their policies will not always be so acceptable to the insured as the policies of companies with greater resources; but the business thus lost will be offset by better rates and more profits. The co-operation of the smaller companies may reasonably be depended on as long as these profits are assured, or, putting it another way, as long as the larger companies do not write more than they are fairly entitled to.

The responsibility for the failure of the Union through the disaffection of the smaller companies will therefore rest mainly with the large ones. They must be prepared to deal fairly at least, perhaps liberally, with companies whose claims are overshadowed by their own. The large companies can afford to be generous to their small competitors, and ought to be, from considerations of expediency at least.

The most encouraging feature of the situation is the sympathy and co-operation which the Union has thus far received from local agents. The success of the organization depends largely on the enthusiastic support of the local. Upon him divolves the task of meeting the objections of the assured, and presenting the merits of the compact—its justice to the companies and usefulness to the insured; and if he is at all lukewarm, the nature and purposes of the Union are likely to be misapprehended to a very prejudicial extent. The formulation of uniform rates is one thing, and their enforcement is quite another. The local's part in compact work is not a minor part, not holiday employment, by any means. He is therefore entitled to credit for his services, and aid and encouragement from the home offices. Perhaps it would be well not to draw too tight a line in the matter of rates and commissions, until the designs

Thirty-ninth Annual Statement

OF THE

Connecticut Mutual Life Ins. Co.

OF

HARTFORD, CONNECTICUT.

NET ASSETS, January 1, 1884		$51,215,581 32
Received in 1884, for Premiums	$ 4,707,437 42	
" " for Interest and Rents	2,777,229 57	
" " Profit and Loss	17,347 91	7,502,014 90
		$58,717,596 22

DISBURSED IN 1884.

TO POLICY-HOLDERS:

For claims by death and matured endowments	$ 3,542,223 18	
Surplus returned to policy-holders	1,153,608 28	
Lapsed and Surrendered Policies	816,475 17	
TOTAL TO POLICY-HOLDERS		$ 5,512,306 63

EXPENSES.

Commissions to Agents, Salaries, Medical Examiners' Fees, Printing, Advertising, Legal, Real Estate, and all other Expenses	$ 653,269 05	
Taxes	334,270 05	6,499,845 73
BALANCE NET ASSETS, Dec. 31st, 1884		$52,217,750 49

SCHEDULE OF ASSETS.

Loans upon Real Estate, first lien	$27,096,682 82
Loans upon Stocks and Bonds	283,000 00
Premium Notes on Policies in force	2,624,723 57
Cost of Real Estate owned by the Company	11,755,783 58
Cost of United States Registered Bonds	99,125 00
Cost of State and City Bonds	2,239,684 58
Cost of other Bonds	7,216,558 70
Cost of Bank Stock	122,761 00
Cost of Railroad Stock	26,000 00
Cash in Bank	750,110 64
Balance due from Agents	3,320 60
	$52,217,750 49

LIABILITIES.

ADD—		
Interest due and accrued	$ 1,021,652 71	
Rents accrued	18,777 03	
Market value of stocks and bonds over cost	119,945 95	
Net premiums in course of collection	NONE	
Net deferred quarterly and semi-annual premiums	51,906 73	1,212,282 42
GROSS ASSETS, December 31, 1884		$53,430 032 91

Amount required to re-insure all outstanding policies, net, assuming 4 per cent. interest	$48,418,419 00	
Additional Reserve by Company's Standard, 3 per cent. on policies issued since April 1, 1882	73,834 00	
All other liabilities	815,955 34	49,308,208 34
Surplus by Company's Standard		$ 4,121,824 57
Surplus by Connecticut Standard, 4 per cent.		4,195,658 57
Surplus by New York Standard, 4½ per cent., over		7,300,000 00
Ratio of Expenses of management to receipts in 1884		8.7 per cent.
Policies in force Dec. 31, 1884, 62,934, insuring		$152,230,685 00

JACOB L. GREENE, - - - - - - - - - President.

JOHN M. TAYLOR, - - - - - - - - - Vice-President.

WILLIAM G. ABBOTT, - - - - - - - - - Secretary

D. H. WELLS, - - - - - - - - - - - Actuary

JOHN S. WILKINS, General Agent.

315 California Street, San Francisco, Cal.

and benefits of the Union are better understood by both agent and insured.

The Transatlantic still declines to join the Union, and there is apparently no reason to expect that this determination will be reconsidered.

The Pacific Mutual Life Insurance Company.

Everybody knows that 1884 was a "tough old year." A year of hard times, and disturbing political excitement; a year of strikes, low wages, low interest and depreciated values; a year of embarrassed trade and numerous business failures; a year to be remembered with execration. In spite of all this so adverse, our local life insurance company, the Pacific Mutual Life, advances with flying colors. Its premium income was greater and its assets have gained nearly a hundred thousand dollars. These assets now aggregate $1,263,014.22. The liabilities for reinsurance reserve, unpaid losses, etc., are $1,101,719, leaving the sum of $161,295.22 as surplus to policyholders. The net surplus gained $8,595.

Although the business of the company increased, the management expenses were reduced by several thousand. Of the $326,195.87 received for premiums, $[illegible],491.55 was returned to policyholders, in death losses, matured endowments, dividends and surrendered values.

The rate of interest received by the Pacific Mutual is the greatest of any life insurance company in the world.

The favorable record thus made by the company in so exceptionally a bad year as 1884, is an encouraging sign of material progress to follow the advent of better times. The fact that life insurance more than held its own last year is satisfactory evidence of the confidence universally reposed in the companies; and the sixteenth annual statement of the Pacific Mutual Life testifies that it still maintains its share of such confidence.

Fire Insurance Figures.

The following is a comparative table showing the resources and business in the aggregate, for 1883 and 1884, of companies doing a fire insurance business in the State of New York:

NEW YORK JOINT-STOCK FIRE COMPANIES.

	1883.	1884.
Number of companies..	66	61
Assets.....	$58,916,097	$57,911,385
Liabil's, except capital.	19,431,681	21,718,818
Capital.....	22,037,020	21,087,020
Surplus.....	17,447,396	15,105,547
Premiums received....	24,876,826	27,472,612
Total income.....	27,263,331	29,895,294
Losses paid.....	13,647,696	15,803,781
Dividends paid.....	2,161,629	2,160,809
Total expenditures	25,349,914	28,569,384
Risks in force.....	3,511,762,728	3,820,148,290

JOINT-STOCK FIRE COMPANIES OF OTHER STATES.

Number of companies..	60	60
Assets.....	$82,508,174	$80,895,094
Liabil's, except capital.	27,864,672	28,606,648
Capital.....	34,428,000	32,928,000
Surplus.....	20,221,671	19,460,446
Premiums received....	31,020,840	30,479,163
Total income.....	34,911,970	34,441,591
Losses paid.....	19,149,817	19,203,976
Dividends paid.....	4,077,314	3,922,167
Total expenditures....	33,255,077	33,407,528
Risks in force.....	2,928,767,269	2,950,915,346

FOREIGN FIRE COMPANIES, UNITED STATES BRANCHES.

Number of companies..	25	24
Assets.....	$38,451,867	$38,075,713
Liabilities.....	19,876,398	20,387,193
Deposit capital.....	5,000,000	4,800,000
Surplus.....	13,575,469	12,888,520
Premiums received ..	25,201,595	24,926,161
Total income.....	26,430,714	26,218,535
Losses paid.....	16,298,814	17,047,885
Total expenditures	24,995,675	25,149,771
Risks in force.....	2,996,253,559	3,031,050,502

The total premium receipts for 1884 were $82,877,936, and the losses, $52,055,642, an average loss ratio of 62.7 per cent.

Since January 1, 1875, companies reporting to the New York Department received premiums and paid losses as follows:

NEW YORK COMPANIES.

Year.	Premiums Received.	Losses Paid.	Per ctge.
1875.....	$22,996,844	$10,102,530	44
1876.....	20,579,792	10,115,990	49
1877.....	19,338,821	10,149,904	52
1878.....	17,879,087	8,770,557	49
1879.....	18,332,561	11,057,427	60
1880.....	20,700,583	11,182,107	54
1881.....	22,123,052	12,121,677	55
1882.....	21,875,944	12,477,116	57
1883.....	24,876,826	13,647,696	55
1884.....	27,472,612	15,803,781	58
Totals.....	$216,176,122	$115,428,785	53

OTHER STATES COMPANIES.

Year.	Premiums Received.	Losses Paid.	Per Ctge.
1875	$29,786,128	$16,454,829	55
1876	27,544,196	15,096,307	55
1877	24,439,542	15,2[illegible]3,059	62
1878	21,541,731	12,203,950	57
1879	21,157,710	13,361,112	63
1880	23,044,434	14,097,193	61
1881	25,233,476	15,381,851	61
1882	26,954,052	16,941,595	63
1883	31,020,840	19,149,817	62
1884	30,479,163	19,203,976	63
Totals	$261,201,272	$157,143,705	60

UNITED STATES BRANCHES.

Year.	Premiums Received.	Losses Paid.	Per ctge.
1875	$10,808,472	$4,514,018	42
1876	10,349,321	4,933,219	48
1877	11,585,851	5,742,008	50
1878	10,984,680	5,925,803	54
1879	13,655,506	8,557,404	63
1880	15,605,164	8,112,590	57
1881	18,838,325	11,435,036	61
1882	24,134,033	15,067,415	62
1883	25,201,595	16,298,815	65
1884	24,926,161	17,047,885	68
Totals	$166,089,108	$98,364,193	60

Since organization the companies now doing business in New York have received premiums and disbursed losses as follows:

	No.	Premiums.	Losses.	Ratio.
New York com's..	61	$390,500,671	$201,691,012	51.9
Other State com's.	60	519,230,881	315,902,654	60.8
U. S. branches....	24	217,416,018	130,856,824	60.2
Totals	145	$1,127,147,570	$648,450,490	57.5

The Commercial Insurance Company of San Francisco.

We print elsewhere a statement in detail of the "condition and affairs" of this thriving California Company. A comparison of the report for 1884 with 1883 shows that the Commercial has again made a long forward stride in the volume of business transacted, the premium income gaining 32 per cent. For 1883 the premium receipts were $230,585, and for 1884 they were $303,544, a gain of $72,987. This flattering progress necessitates an additional reserve for reinsurance and a corresponding reduction of the net surplus. Most of this new business was derived from the East, where the company has recently established agencies.

The assets now aggregate $441,573, gaining several thousand. The liabilities, including the cash capital and $145,432 reinsurance reserve, amount to $374,331, leaving a net surplus of $67,242.

In common with practically all companies in 1884, the Eastern business of the company brought with it a disproportionately large loss ratio, thus forcing the ratio on the total business considerably in advance of the average experience of that company, though still about five per cent. less than the general average of all companies. In this field the Commercial transacted a business somewhat larger than for the previous year, with a moderate ratio of losses to premiums.

Losses and Adjustments.

(From a paper by T. W. Fenn, read at the ninth annual meeting of the Underwriters' Association of the Pacific.]

The reprehensible practice of taking country risks "over the counter" without an inquiry, has enabled many unreliable men to obtain lines of insurance that could not have been obtained through local agents. This cuts in both directions, not only discouraging the local, but setting him a bad example. Over-insurance is not uncommon under these circumstances, and when the fire occurs there is but little or no action on the part of the assured to save property. It is a premium upon fires, and the writing of such risks should be discouraged. If written at all, require the applicant to sign both applications and questions, and make it a warranty. A recent legal decision, to which I refer more fully later on, showed the importance of this warranty.

Passing from losses to

ADJUSTMENTS.

Many locals, both new and old, claim that they are able to make adjustments in their field, and imagine they have the ability. They are frequently encouraged in this idea by the home offices. This is a mistaken plan, not but that many locals have the ability and good sound sense, as much so as the average adjuster. I have met many such, from whom I was glad and proud to

ask advice, and gained much valuable knowledge by so doing. But locals of that class seldom ask for permission to make adjustments; they have too much good sense to mix themselves up with business that others had better perform, except it may be in minor cases. It is the local who dislikes the appearance of the trained adjuster, who fears that in his doing justice something will be done that will hurt his business. Such an one proceeds to "adjust" the adjuster as soon as he appears on the ground.

Every case of considerable amount of loss, or of mysterious origin, should be investigated by one who is the immediate representative of the party who is to foot the bill; it is far better to *know* that all is right, through the trained representative, than to have a *suspicion* of wrong through the untrained. Fraud, arson, and crimes of lesser magnitude are frequently detected by the experienced adjuster that would not have been suspected by the "local" neighbor of the assured. If only one case of fraud occurs in a hundred instances, then every case should be investigated. Members of the community in which a suspicious fire has occurred will frequently give the adjuster "points" that they would not to a local. A case like this occurred but recently in my own experience, and I was enabled thereby to save the companies hundreds of dollars.

And now we come to a point that is a serious one to the companies and the adjuster—that is, the

INTERFERENCE OF CREDITORS

in an adjustment. The fire happens; in steps the creditor, and says: "Mr. Burnedout, how much are you insured for? How much do you owe? Have you saved anything? H-u-m! why, your insurance will nearly or quite pay your debts! Now, my dear Mr. Burnedout, you were doing an exceedingly profitable business; your profits must have been large, your stock new and fresh; you must show these insurance adjusters that you have met with a total loss, then you can pay your creditors, get fresh credit, a new stock—and on you go again. Don't make any compromise with the adjusters; you have lost heavily and must get every dollar—if you cannot, bring your case to us and we will see that you do." The adjuster, under these circumstances, cannot settle without submitting to robbery. He is forced into the trap, and the case goes to the city. A committee of creditors wait upon the companies and the adjuster, with *their* statement of the loss, saying: "Gentlemen, this is the state of the case. Now you must settle according to this, or we must withdraw our business from you, and advise our friends to do the same." The matter rests a few days. Threats of a dire nature pervade the air. Finally a weak-kneed member announces that he cannot stand the pressure, and that he intends to settle. So all are forced to come in on the same terms.

INTERFERENCE OF BROKERS.

Brokers in the city, at least some of them, also have a habit of interfering in adjustments. They tender their advice, unsolicited, to both sides indiscriminately; block progress by their ill-timed action, and frequently prejudice the case of the assured. If their advice is asked, no one objects to their giving it, but let them keep away from any active part in the adjustment. Their participation is indelicate, and their own good sense should teach them this. Anxiety to plead the cause of their client often leads them to such extremes as to weaken the case they advocate. I know of one, wherein a broker acted as clerk in an adjustment. His statement and figures were checked by the adjuster, and a serious error discovered. Need I say the error was in favor of his client?

Gentlemen, this is all wrong. If we have right on our side, let us stand together in the general interests of the business, and live or die as one. To my own knowledge, several cases of clear fraud have been foisted upon the companies by just such action as mentioned. Let us have more back-bone and insist upon those rights which our contract gives us.

We, by such actions, elevate our business standard, and close and lock the door against the perpetration of fraud, and in some cases of arson. It is claimed by some that the expense is too great to resist. Have we not an alliance for payment of rewards on the

detection and conviction of incendiaries? Why could not something of the same kind be done with fraudulent claims? Let us take the bull by the horns in such cases. An honorable and respected member of this association once quoted, "but remember, the horns belong to the bull." Granted, but perhaps a good dose of celery, beef and iron, *i. e.*: legal advice, might give us strength to cope with the beast on at least equal terms.

Gentlemen, when you have a right, stand up for it—tooth and nail—and you cannot be hurt by the proceeding. You can ask for no cheaper nor better advertising than contesting a fraudulent claim. It is better than calendars, blotters or coin wrappers.

A very recent decision of the California Supreme Court in the case of McCormick & Delanoy *v.* the Springfield Fire and Marine Insurance Company, is a very important one to insurance interests. The evidence was clear upon the point that plaintiffs were the agents of the "Lick Paper Company," but applied for insurance on "their" property, and so warranted it on the application to which reference was made.

I might state further that the primary cause of the action was the refusal of the adjuster to admit a claim for a loss on paper bags, when only a stock of "manufactured Manilla paper" was covered by the terms of the policy. The California Paper Bag Company entered into the manufacture of paper bags after the issuance of the "Springfield" policy, and it might be claimed the term "manufactured Manilla paper" included "paper bags," but I have learned that "manufactured Manilla paper" is a "trade term" to distinguish between paper made from rags and straw, and that from Manilla hemp.

I submit this as a "nut" for the adjusters to crack—whether the bags were covered or not?

The Australasian life offices received $1,151,455 in premiums on new business and $6,211,080 on renewals in 1884. The assets of the thirteen companies aggregate $39,086,170. The average rate of interest realized was 10 per cent., or 0.21 more than during 1883.

Suit Against a Stockholder of the California Mutual Life Insurance Company.

In January, 1873, the California Mutual Life Insurance Company resolved to call in its guaranty fund, which was in the form of fifty promissory notes of $5.000 each, executed by the stockholders. The resolution was afterward modified so that no note-maker should be called on for payment who released his commissions on condition that the company reinsure its outstanding risks and dissolve. The note-makers made the necessary deed of disclaimer, and the company reinsured its risks in the Republic Life Insurance Company of Chicago, and also assigned to the latter all the assets of the former, except the guaranty fund notes and the money due thereon. The California company, under the law, could not disincorporate until all its debts were paid. It voted to disincorporate, and formally went to pieces, the expectation being that if any policyholder refused to novate to the Chicago company the latter would buy up the policies.

John T. Doyle was among the policyholders who made novation, and Joseph Barron and Joseph Weil were of those who refused. In 1872 the Republic commenced buying up the policies, and in 1875 had also acquired all the stock of the California company, and therefrom received from the latter all its books and papers, including the guaranty fund notes. In May, 1876, the Republic became insolvent, and Doyle surrendered his policy and obtained in exchange his note held by the Republic as successor of the California.

On the 16th of May, 1884, Bridget Wolfling of this city recovered judgment here against the California company for $13,646.72, amount due on two policies on her husband's life. Execution was issued, and returned unsatisfied by the company, but Mrs. Wolfling recovered $604 from certain stockholders, among whom was Leland Stanford.

In August, 1884, the court appointed W. E. Shaw receiver in this action, to carry into effect the judgment. He gave his bond of $5,000, and has been receiver ever since.

He now brings suit against John T. Doyle, and setting up these facts, declares further that Mr. Doyle's note was never paid nor payment ever demanded by the California company; and that Mr. Doyle received $1,250 as commissions on his note.

The Fire Association of Philadelphia.

Nearly four score years have passed since this great corporation was organized. In that eventful period it has witnessed the failure of hundreds of fire insurance companies, but has itself steadily pursued an upward course, piling up assets year after year, receiving millions for premiums, distributing millions for losses, and paying big dividends with machine-like regularity.

The Fire Association of Philadelphia is one of the great fire insurance companies of the world, having $4,106,426 assets and a clean surplus over all liabilities of $678,796.85. Nearly a million five hundred thousand dollars was taken in premiums last year.

The great age of the company, its immense resources, its big surplus, and its well-earned, time-strengthened reputation, combine to maintain its prestige and progress in the face of all competition.

In this field the Fire Association does a profitable business under the management of Chas. A. Laton.

A statement in elaborate detail of the resources and business of the company is presented elsewhere in this month's REVIEW.

Outlook of the Business.

This subject might be epitomized in four words, viz:. There is no outlook. With the alarming list of losses, aggregating for 1884 upwards of $110,000,000, the situation is truly serious. In some sections the managers display great activity, and make an earnest endeavor to carry on the business in accordance with experience; but, as a rule, there is still to be found that indifference which is bred from a lack of interest in results, except as they affect the amount of premiums on which commissions are calculated and remuneration found. The eagergerness to supply a $5,000 policy on a $4,000 risk is more than matched by the willingness of the owner to sustain a loss at the agent's figures. Then the facile adjuster is called, to make his salvage first, and fix the damage afterwards. Of course, dissatisfaction follows. Why not? The agent realized his commission on the premium, and trusted to time and his salaried colleague to make all things even for the company. The member from that agent's district is in favor of a valued policy bill, and quotes this particular instance as an evidence of edacious corporate action that ought to be "restricted" and the company compelled to pay more than the damage sustained by the insured. What action should be taken to meet these complaints and improve the methods of the business?

Make the compensation of the agent depend, in great part, on the profits of his business. Policies will not then be written without a personal knowledge of the risk, and the agent's work will not be confined to his office chair. The companies will not then take the place of banks of discount in times of depression. The financial and moral standing of the applicant for insurance will enter into the question of granting him the indemity, whereas at present they are never inquired into, by the agent at least.

Educate the people to realize that losses by fire is a tax, by the destruction of value that is not replaced by the companies' payments.

Provide in the policy that the holder shall share a portion of the loss in the event of a fire on his own premises or those under his control. Until this course is taken, at least in the localities that furnish the maximum of loss compared with the premium receipts, there will be no cessation in the waste by fire. Of course, it is a heroic treatment of the case, but that is what is needed. The great depression that has existed in business circles for the past two years, affecting, as it has affected, the entire country, has caused the great increase in the amount of losses sustained during the period mentioned. This statement does not necessarily carry with it a condemnation of the loss claimants, but it is undoubtedly true that when men find themselves confronted with a stagna-

tion in sales, they do not reduce their lines of insurance to accord with the depreciation in values. The owners continue to protect themselves up to the cost of merchandise, and when the fires occur, and they grow more numerous as times grow harder, a sturdy, unfailing, vigorous effort is made to obtain the amount of loss, as shown by the books. All of this is pardonable, perhaps, in the eyes of the people who have little or no sympathy for soulless corporations. But suppose the careless merchant realized that one-quarter of his recoverable loss was the penalty for his indifference, would there not be a careful inspection by him both night and day of his property? There would be no easy unconcern then as to dangers which at present are seldom if ever guarded against. The incendiary who worked for profit would find a lonesome occupation, and the prudent and honest would have no fears of the dangers now anticipated from unsuccessful and cunning neighbors well insured.—*N. Y. Insurance Commissioner.*

Foreign Notes.

It is proposed in Canada that foreign insurance companies be required to invest their Canadian assets in Dominion securities.

A new French company insures against defamers. It is appropriately named The Revolver. Revolver insurance against defamation ought to secure perfect immunity.

In gross tonnage of vessels employed in international commerce, Great Britain leads all the remainder of the world combined. The total tonnage is 10,209,468, of which 6,593,610 sails under the British flag. France, Germany and the United States have each a tonnage something in excess of half a million. Of the 44,734 sailing vessels, 15,384 are British and 6,344 are American. Norway, Italy, Germany and France follow in the order named. Of the 8,433 steam vesels, 5,090 are British. These figures show that the United Kingdom is pre-eminently the maritime nation of the world. Including inland marine, the United States probably leads the world in total tonnage.

French laws make no provision for salvage or assistance.

The number of deaths in Germany in 1883 was 711,169. The number of births was 1,070,538. America may therefore continue to count on the usual German immigration.

A French life insurance company sued a man who had killed one of its policy holders, and got judgment against him. An upper court confirmed the judgment.

There is a benefit society in England known as the Cwm-y-glo Cambrian. Pronounce it, you Americans who think you can talk English. It is the name of a hamlet, parish, or something of that sort.

A young man in Russia insured the life of his betrothed, and then murdered her to get the insurance money. The policy was made payable "to bearer." He was tried, found guilty, and sentenced to hard labor in Siberia for eighteen years.

Level Premium versus Assessment.

Commissioner Tarbox recently appeared before the Joint Insurance Committee of the Massachusetts Legislature, and discussed life insurance, making the following admirable summary:

"1. There is no proper comparison of the cost of the two methods. The price paid is different, but the articles furnished are of different value. One is whole life insurance with a substantial pledge of performance. The other is temporary insurance without assurance. The cost of life insurance is just what it is worth under the established system unless, and only to the extent that, the cost of carrying on the business establishments is excessive. For it is fundamental to all insurance that no company can pay out more than it takes in, and if some get more than they give, others must give more than they get.

"2. A life policy acquires an intrinsic value proportioned to its age, created by the cash reserve held in trust to its individual

Statement of the Condition and Affairs

OF THE

Fire Association of Philadelphia.

On the 31st day of December, A. D. 1884.

ORGANIZED 1817.

Amount of Capital Stock paid up in Cash..... $500,000 00

ASSETS.

Real Estate owned by Company	$ 90,300 00
Loans on Bond and Mortgage	934,435 94
Cash market value of all Stocks and Bonds owned by Company	2,775,379 50
Amount of Loans secured by pledge of Bonds, Stocks and other marketable securities as Collateral	9,950 00
Cash in Company's Office and in Banks	133,089 19
Interest and Rent due and accrued	40,820 50
Premium in due Course of Collection	114,869 09
Due from other Companies for Re-insurance on losses already paid	7,581 68
TOTAL ASSETS	$4,106,425 90

LIABILITIES.

Losses Adjusted and Unpaid and in process of Adjustment or in Suspense	$ 178,272 16
Gross Premiums on F re Risks running one year or less, $1,114,109.94, re-insurance 50%	557,054 97
Gross Premiums on Fire Risks running more than one year, $803,804.55, re-insurance pro rata	414,055 15
Amount reclaimable by the insured on Perpetual Fire Insurance Policies	1,778,246 77
Total Liabilities except Capital paid up	$2,927,629 05
Cash Capital	500,000 00
Net Surplus	678,796 85
	$4,106,425 90

INCOME.

Net Cash actually received for Fire Premiums	$1,431,891 64
Received for Interest and Dividends on Bonds, Stocks, Loans and from all other sources	227,171 90
TOTAL INCOME	$1,659,063 54

EXPENDITURES.

Net amount paid for Fire Losses (including $163,710.00, losses of previous year)	$1,037,831 05
Dividends to Stockholders	200,000 00
Paid or allowed for Commission or Brokerage	301,379 78
Paid for Salaries, Fees and other charges for officers, clerks, etc	82,125 60
Paid for State, National and Local Taxes	60,173 43
All other Payments and Expenditures	34,715 43
TOTAL EXPENDITURES	$1,716,225 29

J. LIGHTFOOT, ... President

W. S. WINSHIP, ... Secretary

CHAS. A. LATON, GENERAL AGENT

No. 439 CALIFORNIA STREET, *Safe Deposit Building.*

SAN FRANCISCO, CAL

credit, and protected by law. An assessment certificate has no commercial value because the holder has paid nothing upon it for which he has not had a full equivalent. Therefore the life policy, as the representative of actual value, may properly be the subject of assignment or pledge, if consistent with the trust it declares. But the assessment certificate having no such value, its assignment or pledge is a bald wager on human life, in which the duration of the life decides whether the gambler wins or loses.

"3. For whole life insurance the assessment method, as formulated, is inadequate. The judgment of its most sagacious advocates is convinced of that fact. How to secure the insurance provision to the late survivors of an insurance company is the problem of all life insurance. This problem has been laboriously and scientifically wrought out in the construction of the old system through the agency of the reserve, which is a logical and essential part, and the main pillar of the edifice. Is that problem capable of some other solution consistent with the assessment plan? If so, assessment insurance may establish itself on a stable foundation; otherwise, not. That it is impossible, I may not affirm. But I discover as yet in the various expedients of its architects no scheme that holds a reasonable promise of the desired result."

The Orient Insurance Company of Hartford.

Among the few fire insurance companies whose experience during the fiery year 1884 is a source of congratulation, is the Orient of Hartford, which comes to the front with encouraging gains in all departments. The fierce-looking horseman from the Orient ought to wear a pleasanter face hereafter, for his company reports a gain of $62,549 in assets, a gain of $89,338 or 20 per cent. in premium income, and likewise a gain in net surplus.

From the handsome colored statement appearing elsewhere, we learn that the assets of the Orient on January 1st were $1,474,443, of which over a million is invested in stocks, bonds, etc., and loans on same. Of the $400,965.92 liabilities, $321,698 are for reinsurance reserves. The surplus over capital and all other liabilities is $73,477.27. This is a gain of three thousand, notwithstanding the additional reserves demanded by a greatly increased business. Adding the net surplus to the million of capital, gives as the surplus to policyholders the interesting sum of $1,073,477.

A "Firemen's Relief" Corruption Fund.

The Firemen's Relief Fund bill, referred to in our last issue, passed both houses as amended, and being signed by the Governor is now a law. The amendments changed the tax from three to one per cent. of the premiums derived from cities having fire departments, and omitted the section requiring agents to give $50,000 bonds. It is a most iniquitous law, and the companies will resist the tax on the ground of its unconstitutionality. The bill could have been defeated easily by the use of coin. It was introduced in the interest of Boss Buckley and his lambs, and was passed by a trading of votes with country members. The companies refused to be bled.

Under the retaliatory law, many companies have been paying the tax and more into the State Treasury. They were naturally indifferent, and it is not impossible that they will save the difference between the one per cent. required by the law and the two or three per cent. they have heretofore paid. In any event, the State will lose several thousand dollars, representing the difference between the expenses of the Insurance Department and the amount paid by non-resident companies under the retaliatory law. This money will now go to swell a corruption fund, called a firemen's relief fund, to be manipulated by local political bosses. The intelligent and honorable country members who traded with the San Francisco boss and voted for the bill, deliberately robbed their constituents, as well as the insurance companies, for the benefit of the city bosses; for the several thousand dollars diverted from the State treasury means a corresponding increase of

State taxes. More than this, they have legislated against the interest of local coporations, who must compete for business in the East under the disadvantage of the same tax.

Under the provisions of this law $16,000 or more will be paid annually to the fund in San Francisco. This will soon make a corruption fund very serviceable in furthering the schemes of local bosses, who can pension off the old hacks and reward the political services of the boys who "run wid de machine." They can reward them in a royal fashion without the inconvenience of assessing candidates.

The insuring property holders of San Francisco and other cities must pay the bill, in stiff premium rates. Every special tax on any commodity is immediately felt in the increased price. The Legislature of California has placed a special tax on fire insurance in cities. Only those who do not insure will escape this tax.

The Washington Fire and Marine Insurance Company.

The beautiful statement of this popular Boston company which we print elsewhere, suggests the gilt-edged indemnity it offers its patrons. It has a net surplus of $83,-890.60, making the surplus to policyholders, adding the million of cash capital, the sum of $1,083,890.60. The assets, by a gain of $24,665 during 1884, advanced to $1,607,-415; but it is not until we refer to the premium income that the remarkable progress of the company is observed.

In 1883, the premium receipts were $505,-435; in 1884 they were $801,058, an increase of $295,623, or 59 per cent. These figures show that the workers have not allowed the claims of the company to be "hidden under a bushel." The abundant resources of the company, and its excellent record for honorable dealing, formed good material with which to impress the minds of the insuring public.

Mr. Geo. D. Dornin is the Manager of the Pacific Department of the Washington, Orient and Lion Fire. The results, as shown by the chart appearing in the February REVIEW, show that the interests of these companies are well looked after.

Shall the Murderer be Rewarded?

In August, 1881, the Pacific Mutual Life Insurance Company issued a policy for three thousand dollars on the life of Angelo Pareto, in Calaveras county, California, payable to her estate. On July 4, 1884, Mrs. Pareto was atrociously murdered by her husband, Frank Pareto, who deliberately choked her to death, and then to make sure of her death, held her head in a tub of water. For this diabolical crime Pareto was sentenced to imprisonment for life.

Antonio Gagliardo was appointed administrator of Mrs. Pareto's estate. The heirs are two children and the husband, the brutal murderer of the unfortunate woman. The administrator claimed $3,000. The company very properly declined to pay the murderer's share, but offered to pay $2,000 for the children, that being their share of the proceeds of the policy. The administrator accepted the offer. The company then required, as is customary, an order from the Court. The administrator did not get such an order, for reasons appearing below, and placed the claim in the hands of a San Francisco attorney.

The company subsequently received notice from the attorneys of the estate in Calaveras county not to pay the administrator, as his bondsmen were withdrawing. On the day following, the local attorney brought suit in this city against the company for the full amount, and on the next day the Judge of the Superior Court of Calaveras county notified the company not to pay the administrator any portion of the money. These notices from the estate's attorneys and the Judge, therefore, forbade the company from paying the claim, even had it been a just one.

The Pacific Mutual Life is prepared to pay the estate the amount due the children, whenever the Court names the party legally authorized to receipt for it; but it very properly declines to reward the murderer for his crime by paying him his share of the policy.

The New Law "Regulating" Co-operatives.

An Act to amend an Act entitled "An Act to establish a Civil Code," approved March 21st, 1872, by adding a new section thereto to be numbered and known as Section 451, relating to fraternal and co-operative organizations.

The People of the State of California, represented in Senate and Assembly, do enact as follows, to-wit:

SECTION 1. A new section is hereby added to said Civil Code to read as follows:

SECTION 451. All associations or secret orders and other benevolent or fraternal co-operative societies incorporated or organized for the purpose of mutual protection and relief of its members and for the payment of stipulated sums of money to its members, or to the family of deceasd members, *and not for profit*, are declared not to be insurance companies in the sense and meaning of the insurance laws of this State, and are exempt from the provisions of all existing insurance laws of this State.

The foregoing is now a law. It virtually removes all barriers to thieving schemes of assessment insurance, and makes California a first-class field for the operations of wild-cat life insurance companies. As the State thus formally invites them, we may expect them to flock here in great numbers. California is bound to have the same experience that Pennsylvania, Ohio and other Eastern States have had with humbugging co-operative insurance. The fraternal societies will suffer most.

Under this Act there is no supervision of the co-operative societies by the Insurance Department. No annual statements are required. The friends of the bill well knew that if there were such publicity there would be few or no members within a year. Yet there is nothing that can be urged for the State supervision of regular life insurance companies that does not apply with greater force to co-operative societies.

We deeply sympathize with the destined victims of the "graveyard," "mutual endowment," and other swindling associations not organized "for profit," but the evil will ultimately work out its own remedy. In the meantime the REVIEW will be supplied with plenty of material to write about.

The Pittsburgh *Insurance World* and the Chicago *Argus* charts for 1885 have been received.

FIRES.

Losses unreported in February REVIEW:

January 28, Inyo county, Cal., smelting works:

American Central	$822
Amazon	548
Niagara	1,371

January 30, San Francisco, frame building and merchandise:

American Central	$1,055
Amazon	1,000

January 30, San Francisco, general fire:

Fire Association, Philadelphia	$2,110
Commercial, San Francisco	2,121

January 10, Oregon City, Cal., merchandise, furniture and fixtures:

Commercial, San Francisco	$272

January 11, Oakland, Cal., brick store building:

Liverpool & London & Globe	$250

January 29, Los Angeles, frame hotel building:

Fire Association, Philadelphia	$179

December 12, San Diego, Cal., frame planing mill:

Fire Association, Philadelphia	$1,039

LOSSES FOR FEBRUARY.

February 17, Arizona, merchandise:

Western, San Francisco	$500

February 5, San Francisco, stock of furniture and hat frame factory:

New Zealand	$303

February 27, Fresno, Cal., general fire:

Manufacturers	$1,500
Phœnix, London	105
Commercial Union	400
Home & Phœnix	1,865
Union, New Zealand	100
Pennsylvania, Philadelphia	600
American, Philadelphia	900
Phenix, Brooklyn	600
Western, San Francisco	1,000
Orient	700
Connecticut	135
Lion	111
Merchants	400
German, Freeport	500
London & Northwestern	750
Eire Ins. Ass'n, London	1,000
Peoples, Pittsburgh	1,300
German, Pittsburgh	1,000
Citizens	1,300
Boatmans	1,100
Total	$15,366

February 23, North Ogden, Utah, brick and frame building and general merchandise:

North British & Mercantile	$4,250
German-American	4,250
Home & Phœnix	4,000
Total	$12,500

February 17, Los Angeles county, Cal., barn and contents:

London & Lancashire	$1,140
Manchester	1,140

February 7, Alameda county, Cal., dwelling and furniture:

State Investment	$1,300

February 9, Los Angeles, Cal., dwelling:

Ins. Co. of North America	$3,500

February 6, San Francisco, stable:

Manufacturers	$1,000

February 17, Portland, Or., dwelling:

North British & Mercantile	$325

February 10, San Bernardino county, Cal., barn:

Hartford	$560

February 10, Sacramento, Cal., general merchandise:

Home & Phœnix	$700

February 17, Riverside, Cal., dwelling and furniture:

Home & Phœnix	$700
Firemans Fund	445

February 22, San Francisco, Cal., leather goods factory:

Home & Phœnix	$3,850

February 12, Contra Costa county, Cal., saloon:

Home Mutual	$150

Februrary 7, San Francisco, buildings:

Oakland Home	$406
Traders	406
Commercial Union	1,625

February 4, Astoria, Or., furniture in dwelling:

Hamburg-Bremen	$802

February 17, Yountville, Cal., general merchandise:

Ins. Co. of North America	$2,573
Pennsylvania, Phila	2,144
Fire Ins. Ass'n, London	1,050
Total	$5,767

February 22, Modesto, Cal., separator (stored):

Oakland Home	$400
Ætna	600

February 3, Colfax, W. T., general fire:

Lion	$500
South British & National	500
Home Mutual	600
Union	1,000

February 7, Los Angeles, Cal., boarding-house and furniture:

Phœnix, London	$3,000
British America	1,500
Home & Phœnix	1,600
Liverpool & London & Globe	1,000
Total	$7,100

February 11, Colfax, W. T., furniture

Oakland Home	$1,000

February 17, Santa Ana, Cal., boarding-house:

Connecticut	$133

February 10, Red Bluff, Cal., dwelling:

Phenix, Brooklyn	$884

February —, Middletown, Cal., general merchandise:

Connecticut	$1,500
Security	1,000

February 23, Missoula, M. T., hotel:

Connecticut	$1,500
North British & Mercantile	2,000
Hartford	3,000
Firemans Fund	1,500
Total	$8,000

February 27, Spokane Falls, W. T., blacksmith shop:

Orient	$250
Lion	250

February 4, Vancouvor, W. T., dwelling:

Hamburg-Bremen	$432

February 7, Butte City, M. T., boarding-house:

American, Phila	$1,166

February 11, Columbia county, W. T., frame buildings.

Phenix, Brooklyn	$650

February 2, Hollister, Cal., dwelling:

Lion	$1,550

February 5, Prescott, A. T., frame building:

Orient	$185

February 14, Stockton, Cal., stoves and tinware:

Connecticut	$103

February 7, San Francisco, tools and stock:

American Central	$254
Amazon	254

Thirteenth Annual Statement

OF THE

CONDITION AND AFFAIRS

OF THE

COMMERCIAL

Insurance Company of California,

On the 31st of December, 1884.

Amount of Capital Stock paid up in cash	$	200,000 00

Assets.

Loans on Bond and Mortgage		210,004 95
Cash market value of all Stocks and Bonds owned by Company		146,127 50
Amount of Loans secured by pledge of Bonds, Stocks and other marketable securities as collateral		7,250 00
Cash in Company's Office and Banks		31,670 93
Interest due and accrued		2,158 35
Premium in due Course of Collection		36,864 44
Bills receivable, not Matured, taken for Fire and Marine risks		7,166 75
Endorsed commercial notes		330 00
TOTAL ASSETS	$	441,572 92

Liabilities.

Losses in process of Adjustment or in Suspense	$	26,493 52
Gross premiums on Fire Risks running one year or less, $248,511 70; re-insurance fifty per cent		124,255 85
Gross premiums on Fire Risks running more than one year, $15,206 28; re-insurance pro rata		10,363 21
Gross premiums on Marine and Inland Navigation Risks, $2,113 92; re-insurance 100 per cent		2,113 92
Gross premiums on Marine Time Risks, $17,398 45; re-insurance 50 per cent		8,699 23
All other demands against the Company		2,405 42
TOTAL LIABILITIES	$	174,331 15

Income.

Net Cash actually received for Fire premiums	$	274,240 99
Net Cash actually received from Marine premiums		29,303 85
Received for interest and dividends on Bonds, Stocks, Loans, and from all other sources		20,659 84
TOTAL INCOME	$	324,204 68

Expenditures.

Net amount paid for Fire Losses	$	158,898 72
Net amount paid for Marine Losses		20,388 64
Dividends to Stockholders		24,000 00
Paid or allowed for Commission or Brokerage		65,642 33
Paid for Salaries, fees and other charges for officers, clerks, &c		26,660 15
Paid for State, National and local taxes		4,430 83
All other payments and expenditures		22,145 61
TOTAL EXPENDITURES	$	322,166 28

JOHN H. WISE ..... President

CHAS. A. LATON ..... Secretary

No. 439 CALIFORNIA STREET,

Safe Deposit Building ***SAN FRANCISCO.***

February 15, Los Angeles county, Cal., hay:

North German	$600

February 4, Salinas, Cal., agricultural implements:

American, Phila	$294

February 21, Portland, Or., frame building and general merchandise:

Phenix, Brooklyn	$1,250

February 25, San Francisco, clothing, etc:

Oakland Home and Traders	$222

February 22, Butte City, M. T., general merchandise:

Washington	$175

February 20, Fresno, Cal., dwelling, furniture and stable and hay:

Lion	$227
Union, New Zealand	500
Imperial, London, Northern & Queen	1,000
South British & National	950
Fire Ins. Ass'n, London	850

February 8, Oakdale, Cal., general fire:

Connecticut	$500
Commercial Union	500
Home & Phœnix	125
Manufacturers	921
New York Bowery	307
Springfield	242
German, Freeport	1,000
Merchants	262

February 13, Red Bluff, Cal., dwelling, stable and contents:

Liverpool & London & Globe	$315

February 21, Visalia, Cal., contents of frame dwelling:

Liverpool & London & Globe	$1,050

February 8, San Francisco, cigars, etc.:

Helvetia	$302

February 15, Lake Valley, N. M., blacksmith shop:

Firemans Fund	$500

February 14, Stockton, Cal., restaurant:

American Central	$411

February 1, Sprague, W. T., frame building and merchandise:

Commercial, San Francisco	$669

February 20, Visalia, Cal., dwelling:

Home Mutual	$1,400

February 2, Sacramento, Cal., frame building:

Home Mutual	$350

February 8, San Francisco, cigars:

South British & National	$1,072
City of London	302

February 1, Williams, Cal., frame building and merchandise, frame livery stable and harness:

Commercial Union	$450
Niagara	1,947
American Central	1,063
Pacific	1,592
Amazon	862
Northern National	883
Total	$6,797

February 14, Stockton, Cal., hardware:

City of London	96

February 1, San Francisco, stoves, tinware, etc.:

City of London	$147

February 17, Bisbie, A. T., general fire:

Royal, Norwich Union & Lancashire	$2,000
California	400
German, Pittsburgh	500
Commercial, N. Y.	500
Union, N. Z.	900
Hamburg Magdeburg	1,000
Pennsylvania, Phila.	500
Scottish Union & National	500
Connecticut	695
Bowery	250
Washington	1,300
Orient	445
Springfield	900
Lion	500
Firemans Fund	1,450
Providence-Washington	250
National, N. Y.	250
German, Freeport	500
Security	500
Merchants	900
Total	$14,240

February 22, Santa Barbara, Cal., hay and barn:

Lion	$325
Ætna	650

February 26, Anaheim, agricultural implements:

American, Phila.	$196

February 23, Woodland, Cal., general fire:

American Central	$250
Manufacturers	300
Ins. Co. of North America	250
Home & Phœnix	220
Western, S. F.	300

February 1, Independence, Or., frame building:

State Investment	$375

February 24, near Santa Rosa, Cal., barn and hay:

Orient	$300

February 16, Santa Cruz, Cal., dwelling:

Phenix, Brooklyn	$310

February 24, Pleasanton, Cal., saloon and barber shop:

Home & Phœnix	$1,650

February 2, Centerville, Cal, hay:

Ætna	$500

February 7, Cottage Grove, Or., country store:

Hartford	$1,890
Firemans Fund	1,890
Union, San Francisco	946
New Zealand	3,000
Total	$7,726

February 22, San Francisco, frame building and fancy goods:

Prussian-National	$639
Providence-Washington	485
Grand total	$142,626

CHIPS.

—D. J. Staples returned a few days since from a two weeks' vacation in Southern California.

—Frank H. Swett, of Santa Rosa, has been appointed a special agent by Butler & Haldan. Mr. Swett, who has been a local agent at Santa Rosa for many years, will remove to this city.

—Following are the premiums, losses and ratios by States, so far as the reports have been made public:

	Premiums.	Losses.	Ratio.
Massachusetts	$5,396,375	$3,289,100	60.9
New Jersey	2,090,374	1,054,750	52.7
Illinois	8,010,078	3,646,883	45.6
Minnesota	2,539,092	1,835,552	72.5
New Hampshire	610,754	312,589	52.1
New York	17,570,659	10,028,111	57.3
Kansas	1,719,006	575,537	48.2
Michigan	3,174,198	2,338,251	73.7
Wisconsin	2,683,737	2,010,901	74.0
Colorado	745,304	314,327	42.0
California	4,484,768	1,279,480	28.5
Pacific Coast (Cal. exc'd)	1,889,208	1,089,554	57.9

—The report of the New Zealand Ins. Co., for the year ending November 30th, shows a net premium income of $1,088,250, a gain of $87,345. The net results of the year's transactions was a profit of $110,000, after carrying $125,000 to reserve fund, enabling the directors to declare a dividend of 15 per cent. The loss ratio was 61.3 per cent.

—Tom C. Grant is making his annual visit to the "States"

—A destructive fire in Chicago is thought to have originated in the shaft containing the elevator counterweights and cables, by friction of the weights and wooden guides.

—Forty-four life insurance companies have paid $960,932,494 to policyholders since organization. Plus present assets, belonging to policyholders, the excess of payments over premiums is nearly 140 millions.

—Ten shares of the stock of the American Steam Boiler Insurance Company of New York were offered at auction February 11th. The first bid was 90 cents and the sale was closed at $1.03⅛. This, for a company only fifteen months old, is "a straw which shows how the wind blows."—*Standard*, Boston.

—Messrs. Hagan & Manheim, general agents for the Scottish Union & National and the National of Hartford, have removed to 219 Sansome street, where they have roomy handsome quarters, finely furnished and supplied with every convenience. Messrs. H. & M. occupy the front, and Manager Staples the rear half. The office just vacated by these gentlemen, at 401 California, was refitted and altered for Wm. J. Landers, general agent of the Guardian of London. Mr. Landers' new quarters are a great improvement on the old, in light, vaults and other conveniences.

—The Order of Mutual Protection of Missouri is about to join the majority. The Secretary says "that in consequence of the increase of the death rate assessments became too alarming. A whole batch of assessments were called for a little over a year ago, which had the effect of precipitating the whole organization into disorder, and caused twenty-nine lodges to withdraw." There are now only five lodges left, with a membership of about 200. Another lodge has just withdraw because "the Supreme Secretary is either unwilling to furnish the total membership and give us facts and figures concerning the financial condition of the order, or is incompetent to do so." There are a number of such "protection" organizations in this State, whose fate will speedily be the same.

—Geo. Easton, of Jacobs & Easton, is visiting the East in the interest of his firm.

—Durable and neat, handy and complete, is the pocket-chart for 1885 just issued by the *Standard* of Boston.

—The returns of the fire business in Colorado for 1884, three or four companies excepted, are as follows: Premium receipts, $745,304; losses paid, $314,327; loss ratio, 42 per cent.

—The forty-one Pennsylvania companies received $8,916,078 in fire premiums, and paid $6,011,238 in fire losses during 1884—an average loss ratio of 67.6 per cent. The premium income from the marine business was $2,336,654, while the losses were $1,676,995, or 72 per cent. The capital invested is $12,385,000, upon which an average dividend of 10.8 per cent. was paid. Every company paid dividends. The combined assets of the Pennsylvania companies are $36,272,405. The net surplus is nearly nine millions.

—At a recent meeting of the Compact Association of the Northwest, it was unanimously resolved to write no more buildings in Idaho Territory after March 10th. A few companies from the East write risks in Idaho from the "other side," and are therefore not bound by this resolution; but it is hoped and expected that they will likewise write on no buildings in the territory until the valued policy law is repealed. The upper house of the legislature were advised of the resolution adopted by the underwriters, but contemptuously ignored it as an idle threat or mere bluster. There was but one dissenting vote. Several members arose and stated that no alarm need be felt, as the underwriters would continue to write on buildings in the territory as heretofore. As we have stated elsewhere, this is a good opportunity to make an example, for the companies can well afford to lose the entire business of Idaho in order to warn other legislatures that the rights and protests of insurance companies must sometimes be respected. If the companies stand shoulder to shoulder in this matter, this infamous valued policy law will be repealed. The moral effect of such a repeal would be invaluable.

—Henry Hewett, of Portland, is visiting this city.

—According to the last report of the Connecticut Knights of Honor, the subordinate "lodges" paid out $1,761.31 to families of members, and their expenses were $6,642.20.

—We print this month a readable paper by T. W. Fenn on "Losses and Adjustments." Mr. Fenn discusses the interference of creditors and brokers in the adjustment of losses, and pleads earnestly for the exercise of a little "backbone" by the companies.

—Henry K. Belden, of the Hartford, visited Honolulu last month for the purpose of surveying that city with a view of establishing an agency in that field. Charles O. Berger, a well-known insurance agent at Honolulu, has been appointed to represent the Hartford.

—We print in full the interesting and able address of Wm. Sexton, President of the Underwriters Association of the Pacific. His conclusions are, that expenses are not too high, that losses cannot be reduced, and that profits can be derived only from additional premiumrates.

—Idaho Territory has been added to the Compact Association of the Northwest. The field now covered by this association embraces Oregon, Washington and Idaho. It is hoped that the companies represented in Idaho, doing business through Eastern agencies, will co-operate with the association in every effort to maintain rates and improve practices.

—Local agents was the subject of a paper by Bruce B. Lee of Red Bluff, Cal., read at the recent meeting of the Underwriters Association of the Pacific. The greater part of this paper is printed elsewhere. Mr. Lee handles the subject in a masterly manner, and writes from the local's standpoint. In some respects the paper is strikingly orig nal, which does not detract from its interest a whit, though much of it is impracticable. But all will agree with Mr. Lee that there are too many local agents, and too many incompetent agents. Possibly the solution of this element of the problem rests with local agents as much or more than with the companies

—By the fall of a wall at Canton, in January, twenty-one volunteer firemen were killed.

—Mr. Faymonville prepared a paper on Forms of Policies for the Underwriters Association of the Pacific—a subject which he treats in the practical, business-like way it merits. The greater part of this useful, suggestive paper is printed elsewhere in this month's REVIEW.

—For 1884 the premium receipts from the Kansas business of fire insurance companies were $1,719,006. The losses paid were $528,226, making the average loss ratio 30.7 per cent., to 48 per cent for previous year. The German, of Freeport, Ill., did the largest business. Kansas and California have about the same population, but the latter has three times as much insured.

—M. Lynch, who was one of the original stockholders and directors of the Firemans Fund, died in this city on March 5. Mr. Lynch was one of the pioneers of California, and has been prominently associated with many San Francisco enterprises. He was also a member of the Board of Supervisors and the Board of Education of this city, at different periods, and served with great credit.

—The United States Life Insurance Company, of New York, has over five million dollars in assets, and a net surplus of over a million, computed by the New York standard of 4½ per cent. interest. Its membership is steadily increasing in numbers, and during the past two years the amount of new insurance written has been nearly twice the amount for the previous two years. The assets are almost exclusively invested in United States, city and county bonds, a mere fraction being invested in real estate. The company is fortunate in the appointment of Capt. J. W. Howell as agent for this Coast. He is an indefatigable worker, and for eighteen years has been connected with the Northwestern Mutual Life, of Milwaukee. During these eighteen years he wrote, through his personal efforts, over $7,000,000 of insurance. The San Francisco office of the United States Life is at 235 Kearny street.

—C. T. Hopkins is visiting the Eastern department of the "old" California.

—Major Edward V. Preston, Superintendent of agencies of the Travelers, is looking over the Pacific department of his excellent company. Mrs. Preston and daughter accompany the Major.

—A Pennsylvanian attempted to boil a mixture of turpentine, tar, and linseed oil on the kitchen stove. The mixture boiled over and ignited, and a second later an explosion followed, scattering the flames and scalding liquid in every direction. Several children in the room were badly burned, and one died in a few minutes.

—The legislature has passed a bill allowing surety companies to guarantee the bonds required by law of public officials. The law will afford a saving to taxpayers, for very often bondsmen repudiate their obligations. The officials, too, will no longer be controlled by the bondsmen, who generally exact something in the way of services, appointments, etc., for the security they give.

—The Portland Fire and Marine is the name of a new company just incorporated at Portland, Oregon. Among the incorporators we see the name of S. B. Riggin, whose record as an underwriter on this Coast is of a character that should not inspire confidence in him as manager of a new company in the Northwest. This remark is made on the presumption that this new company is his personal enterprise. The stockholders are the fellows we sympathize with.

—J. C. L. Wadsworth, a widely known and highly respected citizen of San Francisco for many years, has been appointed Insurance Commissioner by Gov. Stoneman, to succeed Geo. A. Knight, whose term of office expires in April, 1886. The appointment has been confirmed by the Senate. There is no man in the Democratic party in this State who would make a better Insurance Commissioner, or whose appointment would meet with more general approval than Mr. Wadsworth. It is a noteworthy fact that his indorsements were by the most prominent business men of San Francisco, irrespective of party.

—The Walla Walla (W. T.) *Watchman* says: "Last Monday night the members of Rescue and Tiger companies were just able to get the light steamer as far as Main street, where it stuck and remained until the Boyd building was razed to the ground, and then it was quietly hauled back to the engine house by Mr. Schmuck with his horse."

—On the Lower Mississippi there are a number of floating saw-mills, which work up driftwood into lumber. A small saw-mill is erected on a steamboat, and this vessel goes up and down the river, and into each bayou, picking up the valuable logs and at once converting them into marketable lumber, which is sold at the river towns or even delivered at a planter's wharf. It is said that the only danger to be apprehended is in finding spikes or nails in floatwood, which break the saws and cause serious accidents—but all suspicious looking logs are carefully scrutinized before use.

—The officers of the State Insurance Co. of Salem, Or., filed a sworn statement with R. P. Earhart, Secretary of State, and in return received a certificate to that effect, to which was added this gratuitous puff: "I take pleasure in commending it [the company] to our people." The question naturally arises, What interest has the Oregon Secretary of State in the Salem bantling? Or, was the puff really a gratuitous one? In any event, it is not a part of Mr. Earhart's official duties to recommend any company. In this instance he has done a foolish thing, as well as a wrong one, for his recommedation is based on no official investigation of the company's affairs. He has made no examination to determine the actual status of the company, but merely accepts the statement of the officers. The fact is, any man with a thimbleful of insurance knowledge knows the State Insurance Company, of Salem, is an enterprise that is not entitled to confidence as a business venture, and certainly not as a fire insurance company. Its statement is purposely misleading. Its alleged paid-up capital is only $50,000, a sum that may easily be swept away in a day. Over half its premiums income was paid with notes, and it has no net surplus.

—Thirty-eight fire and three life insurance companies do business in Nevada. Three California companies are not represented in the Silver State.

—A representative of an insurance company in this city insured all his own property except a brick warehouse. That was the only risk that burned, and the lesson cost him just $5,000.

—In ten minutes after fire was discovered in the National Theater at Washington (D. C.), and before anything could be done to check it, the whole interior was in flames. In two hours nothing but the crumbling walls remained. Was there ever a theater fire that was not rapid, fierce and destructive?

—The *Review*, of London, says that it would be impossible for assessment or co-operative life insurance associations to make any headway in Great Britain. If this is true, it is because the ignorant classes of that country haven't money enough to pay assessments of any kind. The world is full of fools, and Great Britain has her share. But we quote the *Review*, not to make this reply, but as a refutation of the stock co-operative lie that there is such a thing as assessment life insurance in England, as in America.

—The *Post Magazine* (London) Almanack, Insurance Directory and Year Book for 1885 has already issued from the press. It is a valuable publication of 200 pages, not the least interesting portion of which is the advertisements. There is much information of especial interest to British and colonial underwriters. As is usual in such works, there are many useful facts and suggestions tucked in for the benefit of the casual reader, and for reference purposes. Much of it has an unfamiliar sound to the American ear. For example, the peerage, government and department titles, etc. Again, we read in relation to "rural affairs and gardening," that on frosty days it is well to cast several bushels of salt over "the wheats;" that it is time to "thresh corn" and "work the plough," and to "dig" hay grounds. Weeds "show their noses," land is "pared," potatoes are "horse-hoed," etc. The price of the Year Book is sixpence.

—The Northwestern Mutual Life Insurance Company of Milwaukee will buy the Newhall House site in that city and erect an office building at a cost of over $500,000. It is to be the finest in the city.

—The office of the New England Mutual Life Insurance Company in this city is now on the first floor of the Safe Deposit Building, on Montgomery street, immediately under the old quarters. The new office is not only more convenient, but attracts the attention of every "wayfarer" to the company and its agency.

— Natural gas is turning things topsy turvy in Pittsburgh. The pressure is so great at times that the mains burst, and there is a constant leakage by the small pipes. The gas penetrates cellars, ascends the upper floors, and coming in contact with fire explodes with destructive effect. It has caused several fires lately, and is declared to be worse than dynamite. It is proposed to advance insurance rates twenty-five per cent. in consequence. No successful method of regulating the pressure has yet been devised. Perhaps if they were to load the machinery with a few English insurance editorials the depressing effect might reduce the pressure.

—Some alarm is being excited by the growth of the losses by fire. One-tenth of the annual savings of the nation is burned up every year. Our savings are calculated at $1,000,000,000 a year, and the fire losses are at least $100,000,000. The fire loss was but $64,680,000 in 1876, and it has been getting larger ever since. The payments by the insurance companies have been doubled in ten years, and now amount up to about $50,000,000 a year. The fire tax on the country is nearly twice what is paid by the Government for the interest on the debt, or for pensions, or for the maintenance of the army and navy together. By means of the insurance companies half of the 100 millions burned every year is paid over to losers by the contributions of those who have been more careful, more fortunate, or more honest. But the loss is the same; it is not diminished by this reimbursement. The community as a whole loses all that is destroyed by fire, whether it is insured or not.—*Exchange.*

—Jos. C. Jennings is in New Orleans.

—Another man gone wrong. Nathaniel Pope, cashier of the United States branch of the Liverpool & London & Globe, is $27,000 short in his accounts. Speculation.

—In San Francisco, during 1884, 1,127 new houses, costing $6,302,807, were erected. High rents stimulated a building boom. The occupants of most of the new dwellings are the owners.

—General Agent Wm. J. Landers and the Pacific Department of the Guardian Assurance Co. of London are now installed at 401 California street, in the basement of the Firemans Fund building.

—The Globe Mutual Assessment Association of Indianapolis last year paid in death claims to 37 members $1,910 out of receipts from members for the year amounting to $16,031.35; or putting it in another way, the members paid over $8 for each $1 paid in death claims.

—Agent at S. insured property in C., on which another policy had been issued by an agent at C. The former did not give the latter any notice of the additional insurance. There was a loss, and the question is, What effect had the failure to give notice on the validity of the policy?

—A life insurance company, investigating a recent claim, finds that neither the person in a Western town whom they thought they insured, nor the attending physician, undertaker and clergyman who they thought had sworn to his death, ever existed. Somebody else had personated the man before the examining physician, and a justice of the peace had allowed the swindler to swear to the four affidavits of his alleged death.

—*Manager.*—I see you have here an application from Mr. M. for $5,000 on his life. *Agent.*—Yes, and a mighty good risk too. *Manager.*—I cannot see it. Why, man, he hasn't a hair on his head and—*Agent.*—That proves him a first-class risk. *Manager.*—How so? *Agent.*—Why, having no hair he cannot possibly dye. [A terrible stillness fell on the scene, and a moment later the agent was a raving maniac. The wear on his brain had proven too much.]—*Insurance News.*

Seventeenth Annual Statement

OF

The Pacific Mutual

LIFE INS. CO. OF CALIFORNIA,

For Year ending December 31, 1884.

Received for Premiums		$ 326,195 87
Received Interest, Rents, etc		65,989 32
TOTAL RECEIPTS		$ 392,185 19
Paid Death Losses, Matured Endowments, Dividends and Surrender Values.	$252,491 55	
Paid for Expenses of Management, including Taxes.	78,116 96	
		330,608 51
BALANCE		$ 61,576 68

ASSETS.

Real Estate	$ 105,879 92
Loans on Real Estate, first liens	849,480 78
Collateral Loans	5,544 24
Loans to Policy-Holders on their Policies	18,614 97
Premium Notes	58,548 40
Bonds and Stocks owned by Company	6,358 39
Cash in Bank and Office	90,212 84
Agents' Balances	4,153 29
Furniture, Fixtures and Individual Accounts	9,589 61
Merchandise and Personal Property	9,119 06
Interest Due and Accrued	45,126 58
Premiums Due and Deferred (Net)	51,751 54
Bills Receivable	5,034 60
Supplies, Printed Matter, etc	3,000 00
TOTAL GROSS ASSETS	$1,263,014 22

LIABILITIES.

Net Present Value of all Outstanding Policies, computed according to American Table of Mortality with Interest at 4½ per cent	$1,074,174 00
Death Losses in process of Adjustment	25,200 00
Endowments not called for.	1,400 00
All other Liabilities	945 00
Total Liabilities	$1,101,719 00
Gross Surplus	161,295 22
TOTAL	$1,263,014 22

GEO. A. MOORE, - - - - - - - - - - *President*

W. R. CLUNESS, M. D. - - *Vice-President and Medical Director*

J. N. PATTON, - - - - - - - - - - *Secretary*

SAMUEL M. MARKS. - - - - - - *Assistant Secretary*

PRINCIPAL OFFICE,

418 CALIFORNIA STREET, SAN FRANCISCO.

—On mercantile property in Boston the aggregate of risks of $204,639,291. The Liverpool & London & Globe has $13,606,544, the greatest amount.

—The office of the New England Mutual Life Insurance Company in this city is now on the first floor of the Safe Deposit Building, on Montgomery street, immediately under the old quarters. The new office is not only more convenient, but attracts the attention of every "wayfarer" to the company and its agency. Under the management of General Agent Field the New England Mutual has taken high rank in this field, in the amount of business done. It is a popular company, with a reputation second to none for stability, liberality and reliability. The assets are now $17,095,567, the company standing eighth in this respect. The net surplus over all liabilities is the handsome sum of $2,395,451. The total insurance in force amounts to $62,628,796, a gain of about three million over 1883. Over a million dollars in death claims was paid by the company last year.

—The Chicago *Daily Inter-Ocean* says: Another weakness of the idea of endeavoring to conduct a life insurance business on the assessment, or chip-in-after death plan, is exposed by the recent hard times. It is found that people out of work and men of business whose affairs are in a depressed condition do not now respond as promptly to the call for assessments to meet a death claim in the so-called "insurance" societies to which they happen to belong as heretofore. They have not always the money to spare, and they are simply unable to meet the demand. This unfortunate condition of affairs is not yet so noticeable perhaps in the "insurance" associations connected with the secret orders, but is quite perceptible in the concerns which are outside of those organizations. All this, of course, is no more than might have been anticipated; but although the inherent fallacy of the scheme of trying to run a permanent life insurance business on the "promise to pay" plan has often been shown by prominent newspapers and actuaries, it is still curious that a season of hard times should bring out a new proof of the folly of the whole idea.

—The Hartford Fire, Niagara Fire, London Assurance, Lion Fire and the Scottish Union and National, have withdrawn from the National Board of Fire Underwriters.

—A final dividend in liquidation, of one per cent., has been declared by the directors of the Tradesmen's Fire of New York. This makes a return of 111 per cent. of the capital.

—The Liverpool & London & Globe ranks first in premiums on fire business in the United States in 1884, its income from that source being $3,611,625. The Phenix, of Brooklyn, comes next, with $3,413,074. In gross fire risks in force, the Liverpool & London & Globe again takes first place, the amount being $512,226,180. In surplus to policyholders the Ætna is still "at the head of the class," with $6,964,495. Next is the insurance company of North America, which has $6,128,880 net surplus. The latter company paid the most losses last year, and stands first in the amount of assets, having $9,087,235. The Ætna, of Hartford, which has nearly the same amount of assets, has paid the largest amount of losses since organization—$57,378,542.

—Life insurance has a single function, the distribution among the heads of the families of the loss incurred by each family in the death of its head, so that the loss falls, not on the helpless family, but is divided among those who are still spared to their own. That is all life insurance can do; it divides the loss of one family among the heads of many families, each of which must, in its turn, suffer a like loss, to be divided, when it comes, in like manner among others. The obligation of a man to make this arrangement for so sharing the losses of other families while he lives, that his own family's loss will be borne by others when he dies, lies in this, that only so can he make instant and constant provision for their protection against that loss of which they run daily risk; and having created his family—having called them into being and made them helpless, and subjected them to this risk—he is bound to give them instant and constant protection to the full extent of his ability and their necessity.—*Jacob L. Greene.*

—The California Underwriters' Association has disbanded for the time being.

—Something like two million gallons of water were pumped into the Grannis building, Chicago, at the late fire—enough to have filled the building to the fourth floor.

—Michigan was another bad State for fire insurance companies last year, the average loss ratio being about 72 per cent. Out of 107 companies, thirteen lost over 100 per cent. of their premium receipts, and fifty-one paid 65 per cent. or more in losses.

—Fire premium receipts from the Minnesota business for 1884 aggregated $2,539,092. The losses paid were $1,835,552, or a ratio of 72.5 per cent. So the business was again unprofitable. The average premium rate was 1.36. Twenty-six companies incurred losses of over 100 per cent. Altogether, 117 companies are represented, and of these only fifty incurred a loss ratio under sixty-five per cent.

—A San Francisco member of the Independent Order of Odd Fellows having been on the sick list for some months, the lodge made an investigation. Physicians testified that the man had heart disease, and was unable to work. The lodge was dissatisfied, and employed other physicians, who made a similar report. Still dissatisfied, the lodge chose other physicians more discreetly, and secured the kind of report they wanted, exempting them from any obligation to pay the man benefits. The last physicians declared that he was malingering, but as the man shot himself when the weekly benefits were withheld, there is no reasonable doubt that he was an invalid meriting the charity of his society. Lazy men do not kill themselves. It is reported that a post-mortem examination proved that the vital organs of the suicide were not diseased, but this statement must be taken with a liberal allowance for the embarrassing position of the lodge, which had hounded the fellow to his death to save ten dollars a week. The man had a family. The incident is of value as serving to gauge the charitable pretensions of such societies. We shall be glad to announce that the Odd Fellows have done something for the widow.

—It is reported that the Phenix, of Brooklyn, has placed paper mills on its prohibited list.

—C. P. Farnfield, general agent of the Union, of San Francisco, is visiting the Eastern agencies of the company.

—E. P. Farnsworth, special with Hutchinson & Mann, is visiting New Mexico, Arizona and Colorado in the interest of that agency.

—Capt. J. W. Howell, late of the Northwestern Mutual Life, has been appointed general agent for the Pacific Coast of the United States Life, *vice* J. A. Melcher, who for some time past has been so thoroughly engrossed in the work of saving the country and appointing "school-marms" that he had time to write only five policies in this State for his company during 1884. Happily the country is saved, and Melcher may now give his undivided attention to local politics and the national weal.

—The Idaho valued policy bill, mentioned in our last issue, has been signed by the Governor. It will be remembered that the underwriters interested held a meeting in this city and unanimously resolved to write on no building in that benighted territory if the bill became a law, and telegraphed that resolution to the Governor. It remains to be seen whether that was an idle threat. If underwriters have not the backbone to carry out such an agreement in a territory like Idaho, they may as well abandon all opposition to valued policy laws. Other States and territories will follow Idaho's example and snap their legislative fingers at the protests and warnings of the companies. Perhaps the Idaho Governor had heard from Texas.

NOTICE.

THE NATIONAL ASSURANCE COMPANY OF IRELAND having reinsured the outstanding risks of the London and Northwestern Fire Insurance Company of Manchester, all losses occurring under their Policies, on and after Dec. 10th, 1884, must be reported to and will be adjusted by the undersigned.

H. M. NEWHALL & CO.

General Agents National Assurance Company of Ireland, 309 Sansome St., San Francisco.

COAST REVIEW.

A MONTHLY JOURNAL, DEVOTED TO FIRE, MARINE, LIFE AND ACCIDENT INSURANCE.

J. G. EDWARDS, Proprietor,

320 Sansome St., (Room 14), San Francisco, Cal.

(Take the Elevator.)

VOL. 20. APRIL, 1885. No. 4.

Waiver and Estoppel.

[A paper by Peter Winne, of Denver, Col., read at the ninth annual meeting of the Underwriters' Association of the Pacific.]

To treat this subject properly in all its bearings, would require a volume; and the writer has neither the time nor the inclination to attempt to cover the whole ground as applied to insurance law, but will consider those points wherein our fraternity place themselves in an erroneous attitude, most frequently by trying to maintain positions that are directly opposed to each other. Hoping that some practical good may be the result of this discussion of the subject, have concluded that I will give some plain practical facts without any attempt at a literary display. "The wise man" is credited with saying "There is nothing new under the sun," therefore I will not claim any originality of thought or argument, but will try to present the words of the best writers and the most pointed decisions of our courts, giving credit as far as possible to the authors of the same, merely trying to arrange and classify these so as to present them systematically.

The writer's experience a few years ago, taught him that no matter how good the reasoning he advanced, it was better to have some good authorities to substantiate the same in order to have it receive the proper consideration. The following account illustrates the incident referred to. Some insurance companies had decided to resist the payment of a claim, on account of fraud and requested the writer to look up the case and advise with the attorneys as to the best course to pursue. After investigation into the facts, a certain line of defense was proposed, which the writer deemed the best possible one; but very much to his surprise the attorneys and all the companies decided that there was nothing in the position assumed. It was all in vain that reasons were given—reasons, too, that the attorneys said were good, but refused to try the case on the grounds taken by the writer, as they knew of no decision to maintain the same. They admitted the justice of the defense contended for, its plausibility, etc. They were appealed to again and again to try the case on its justness and make a decision. They were inexorable, and refused to attempt to try the same in the manner requested. At last after a long and diligent search, the writer found a decision advancing the doctrine he had been contending for, in which the words even, were almost the same

as he had been using. The transformation in the minds of the attorneys was great. They became very enthusiastic, argued the case on demurrer and won it. This and similar experiences have taught me that it is quite important to have good authorities to substantiate the arguments advanced, and have led me to decide on the following manner of discussion rather than the advancing of my own views solely, believing that the authorities will give greater weight. Of course this will make the article more lengthy, but there can be no doubt but that it will make it much more useful as a reference.

No small amount of litigation is the direct result of trying to maintain positions that are diametrically opposed to each other. A waiver is never established, or the company estopped from assuming a position, where there has been no double dealing, no reversible, adjustable, double-acting performances, that are calculated to mislead. It is no uncommon occurrence to find an adjuster who tries to maintain two attitudes that are not within the range of any human possibility to be harmonized. In nearly all such cases the party eventually finds himself in the condition of the Irishman who insisted that the bees in Ireland were as large as sheep in this country. When asked how the bees got into the hive, replied, "Shure, that is their own business." When we try to maintain inconsistent situations we will sooner or later be driven to equally as ridiculous subterfuges as cited above, in the attempt to justify a wrong course—then waiver and estoppel will prevent our maintaining the rights we had, and we will in the most of instances, learn that it would have been far more profitable to have been consistent.

If we wish to enforce the conditions of the policy and know the same to be void, the better way is to notify the assured that we have doubts as to the validity of his contract. But in any event we shall expect a strict compliance from him of all the terms and conditions of the same if he expects to recover under it; that we waive none of our rights but stand by and maintain all of them. Did you ever hear of a case of Waiver or Estoppel being substantiated where such a course was pursued? And instances are very rare where one was claimed.

Let us notice before proceeding to discuss this subject, "That the policy is a contract." The law between the insurer and the insured, is the policy with all its clauses, conditions and stipulations, by which their mutual rights and liabilities are defined. Branch Ins. Co. *v.* Helfenstein, 40 Penn. Stat., 289.

And where there has been no waiver the policy conditions are valid. The Supreme Court of the U. S. on this point says: "The public have an interest in sustaining the clauses of the policy." Carpenter *v.* Providence Washington Ins. Co., 16 Peters (U. S.), 496.

Waiver, according to Bouvier, is the relinquishment or refusal to accept a right. The same writer says, Estoppel is a preclusion in law which prevents a man from alleging or denying a fact. Lord Coke says, "It is where a man's own act stoppeth or closeth up his mouth to allege or plead the truth."

The rule of law is clear where one by his own act or words causeth another to do or believe a certain state of things or to alter his position, that the former is precluded from averring against the latter a different state of things as existing at the same time.

Waiver and Estoppel, as applied to insurance, are so nearly allied that the courts use them indiscriminately, therefore the writer will take the liberty to pursue the same course in this paper.

No one is held to have waived his rights until it be shown that he has done so with a knowledge of them. Finley *v.* Lycoming Ins. Co., 6 Casey, 311.

There would seem to be no danger of a waiver from the above until we have knowledge of the violation, after that, the insurer or his representative should say or do nothing nor make any negotiations without reserving the point. It has been said that a waiver never occurs unless intended; or where the thing relied on as a waiver is such that it ought in equity to estop the party from denying it, and to constitute a waiver there must be not only knowledge of the thing waived, but the act of waiver must be knowingly done.

The doctrine of estoppel lays at the foundation of the law as to waiver. While one party has time and opportunity to comply with a condition precedent, if the other party does or says anything to put him off his guard and to induce him to believe that the condition is waived, or that a strict compliance will not be insisted on, he is afterwards estopped from claiming non-performance of the condition. Underwood *v.* Farmer's Ins. Co., 57 N. Y. 505.

There can be no waiver of a condition precedent, except there be in the case an element of estoppel.

When the insurer has done nothing to induce delay on the part of the insured, to comply with the condition precedent, there can be no waiver. The waiver must either be expressed or the result of such acts and conduct on the part of the insurer as will operate as an estoppel against a defense, predicated upon the ground of non-compliance with the condition on the part of the assured. Underwood *v.* Farmers Joint Stock Ins. Co., 57 N. Y., 506. Clarke *v.* N. E. Fire Ins. Co., 6 Cush. Mass., 342. Underhill *v.* The Agawan M. F. Ins. Co., 6 Cush. Mass., 440. Ames *v.* N. Y. Ins. Co., 14 N. Y., 253.

A waiver or estoppel in order to be effectual must be made by an officer or agent authorized to make it. Lee *v.* Guardian Life Ins. Co., 5 Ins. L. J. 26 (U. S. C. C. Dist. Cal. 875).

WAIVER OF PAYMENT OF PREMIUM.

The question as to whether a credit was given, or a condition waived, is for the jury; and may be an expressed waiver, or may be implied from circumstances, as that the policy was delivered without pre-payment. Story on Agency, 267. Wright *v.* Hartford Ins. Co., 36 Wis., 522. White *v.* Conn. Ins. Co. (S. J. C. Mass.) 5 Ins. L. J. 812. Eagan *v.* Ætna F. & M. Ins. Co., 6 Ins. L. J., 832 (S. C. A. W. Va). Mason *v.* Citizen's F. & M. Ins. Co. (6 Ins. L. J. 842). Bowman *v.* Agricultural Ins. Co., 59 N. Y. 521, (5 Ins. L. J. 12). Or that the premium was subsequently received. Young *v.* Mutual Life Ins. Co., 2 Savage (U. S.) 325. Or that it was subsequently demanded by the insurer and he treated it as a debt against the assured, or any act or circumstance that tends to show there was an assent on the part of the insurer to a non-compliance with the conditions. Washoe Tool Co. *v.* Hibernia Ins. Co., 66 N. Y., 613 (5 Ins. L. J., 773). Held that the agreement of the agent to extend the time of payment was a waiver of the condition of the policy that it should not be binding until payment of premium, and the fact that the agent did not indorse such waiver on the policy as required by another provision did not prevent recovery. Young *v.* Hartford Ins. Co., 6 Ins. L. J., 43. Gay *v.* Farmers Mut. Ins. Co., 12 Ins. L. J., 595.

When a credit has actually been given it seems to be well settled that the policy remains in force until cancelled for non-payment of premium. Frankle *v.* Pennsylvania Ins. Co. (U. S. C. C. Dist. Col.), 12 Ins. L. J., 614. Miller *v.* Life Ins. Co., 12 Wall. U. S., 285. Washoe Tool Co. *v.* Hibernia Ins. Co., 66 N. Y., 613.

The issue and delivery of a policy without requiring prepayment of the premium establishes the fact that credit was given therefor. Laton *v.* Germania Ins. Co., 27 La. An. 113.

Delivery by an agent of a policy and renewal certificate as valid instruments, is a waiver of the formal terms and makes them binding, even when not countersigned. Hibernia Ins. Co. *v.* O'Connor, 29 Mich., 24.

WAIVER AS AFFECTED BY KNOWLEDGE OF THE FACTS.

The insurer is estopped from setting up the breach of any condition when at the time of its issue he knew that the condition was inconsistent with the acts. And the assured has been guilty of no fraud or the breach of any condition after the policy was issued, if it has induced the insurer to believe or rely upon it, that such breach was waived, or has been induced to do any act, at the request or by the direction of the Company which he otherwise would not have done. Webster *v.* Phœnix Ins. Co., 36 Wis. 67 (3 Ins. L. J., 931); 17 Am. Rep. 481.

In this case the policy prohibited other insurance without notice. Whether defendant's agent knew of other insurance or not before the loss, did not clearly appear, but after the loss, the agent informed the as-

sured of it, and knowing of the breach, the Company required the claimant to furnish plans and specifications at considerable expense, and it was held that this operated as waiver of the breach and estopped the company from setting up an avoidance of its liability. Commenting on this, Lyon, Judge, says: "A party cannot occupy inconsistent positions, and when one has an election between inconsistent courses he will be confined to that which he first adopts." It could have declared the policy void because of the additional insurance effected without its consent, or it could treat the policy as valid and pursuant to stipulation therein, require the plaintiff in addition to the usual proofs of loss, to furnish plans and specifications of the building destroyed. With full knowledge of all the facts it chose the latter course and the plaintiff at great expense to herself complied with its requirements. This was a most decisive act on the part of the defendant—an act utterly inconsistent with an election to declare the policy void for a breach of any of the conditions. And it seems clear to us that the defendant is estopped thereby from insisting on a forfeiture of the policy.

In this case the company has furnished an excellent illustration of the case of a company exceeding its simple right to demand proofs of its liability. Had it stopped after exercising this right, there would have been no waiver. But as it is, it required the assured to go to additional expense to furnish plans and specifications of the building after it had proof that its policy was void.

On a certain occasion two Irishmen were out late one night and were returning home in a rather hilarious condition; they got into a dispute as to whether it was the sun or the moon that was shining overhead. Pat insisted that it was the sun and Mike that it was the moon, and as they could come to no agreement within themselves they agreed to refer it to the first person they should meet. They soon met a gentleman and they referred the dispute to him after explaining their disagreement as clearly as possible. The man was in the same condition as Pat and Mike. He finally exclaimed: "Hic—real-ly yo-u'll have to ex-kuse-me as I'm a str-anger in this part of the country." Would it not make any of us feel that he would like to be strangers in a country where it has the law of the land that a policy could be held as void and valid at the same time? Where it could be claimed and treated as a contract on which the company will pay as soon as certain requirements are complied with, and the adjuster at the same time holding it void?

Whenever the weight of evidence goes to show that a policy has been issued inconsistent with the facts, and the agent knew the facts when the policy was written, the conditions are waived so far as they do not agree with the facts known. Smith *v.* Farmers and Mechanics Ins. Co., 8 Ins. L. J., 828 (S. C. Pa., May 79). Peoria F. & Mut. Ins. Co. *v.* Hall, 12 Mich. 202.

And this should be universally the case where the agent fills up the application erroneously or commits a fraud when the facts are correctly stated by the assured. In all such cases the doctrine of estoppel applies. Ellenberg *v.* Protective Mut. Fire Ins. Co., 8 Ins. L. J. 822 (S. C. Penna. May 1879.) Winans *v.* Allemannia Ins. Co., 38 Wis. 342. Ætna Ins. Co. *v.* Maguire, 51 Ill., 342. Mechler *v.* Ins. Co., 38 Wis., 665. Vilas *v.* N. Y. Cent. Ins. Co., 7 Ins. L. J., 440 (72 N. Y. 590). Miner *v.* Phenix Ins. Co., 27 Wis. 693.

If estoppel was not permitted to apply in such cases an innocent party would be made to suffer. See Wood on Fire Ins. Co., 179, and Rowley *v.* Empire Ins. Co., 36 N. Y., 550.

Where the Company knows or ought to know the true state of the risk, the fact that the assured or his agent filled out the application and misdescribed it (even admitting that the company's agent being the party that filled it out and having been made the agent of the assured by the conditions of the policy) seems to be an unsettled question whether this operates to overcome the effects of the insurer's knowledge of the facts. Good authorities can be cited to maintain either position.

In New York the negative is established by Roehrback *v.* Germania Ins. Co., 62 N. Y. 47 (4 Ins. L. J. 737). Sprague *v.* Holland, Purchase Ins. Co., 56 N. Y. 565.

In the case of Roehrback, an application was signed by the assured in which the agent did not, in filling out the answer, fully disclose the exact nature of the interest to the insured, and as the statements in the application were fully disclosed to the agent they were not properly answered in the application, and as the application was made a part of the policy and a warranty on the part of the insured, the Court held to the letter of the contract that the plaintiff made a breach of warranty and condition precedent upon the truth of which the contract rests, and for that reason may not recover in this action as the facts now stand. It was a warranty and a condition precedent to his right to recover, and as such could not be avoided by any consideration, whether it was essential or not.

"While it is true," says the Court, "that insurance companies are often the victims of dishonest and designing persons, is it right for them to refuse to be bound by the acts of the agents of their own selection? And it is to be regretted that corporations of the power and extensive business which insurance companies have, should prepare for illiterate and confiding men contracts so practically deceptive and nugatory, and should in cases as free from fraud and wrong on the part of the insured as this, hold their customers to the letter of the agreement so entered into. Though he has frankly and fully laid before the actor between him and the defendants all the facts and circumstances of the case, he is made responsible for error in legal conclusions which he never formed, and which were arrived at by one in whom he trusted, and whom he supposed to stand in place of the company."

Let us look at the justice of such a decision; even admitting that the policy makes him the agent of the assured, nevertheless he is still the agent of the company, he is not divested of his office by being made or deemed the agent of the applicant. Is not this a device that is inconsistent?

Nearly all the cases lay stress on the fact that the application was made by the agent of the insurers, who knowing the facts, misstated them. Roth *v.* City Fire Ins. Co., 6th McLane, U. S. 321.

See Wood on Fire Ins. 843, where some good remarks are made on this subject and where he asks, "If a person can rely on a position in law that he knows to be false, or on a statement that he knows to be a lie?" Cole *v.* Boland, 22 Penna. St. 431.

Under such circumstances the insurer can not claim that he was misled, and to permit him to issue a policy and to take the benefit of the contract knowing that he is not liable, is aiding a fraud on his part, especially upon a person who intended no fraud upon him and who has been innocently led into making a misstatement. Such a position is at variance with the principles that underlie the doctrine of warranty. Of which the sale of a blind horse is an illustration and is repugnant to that sense of justice and morality which should underlie the law. The Courts seem to be gradually approaching a more equitable position on this subject as shown by the following cases. Beal *v.* Park Ins. Co., 16 Wis. 257, and authorities cited therein. McFee *v.* U. S. Ins. Co., 2 McCord, S.C. 503. Phenix Ins. Co. *v.* Lawrence, 4 Met. 9 Ky. Patton *v.* Manufacturers Ins. Co., 40 N. H. 375. Kreuger *v.* Birmingham Ins. Co., 83 Penn. St. 64. Witherell *v.* Maine Ins. Co., 49 Me. 200. Carroll *v.* Charter Oak Ins. Co., 40 Barb. N. Y. 392. Columbia Ins. Co. *v.* Cooper, 50 Penn. St. 331. Winans *v.* Allemannia Ins. Co., 38 Wis. 342. Lynchburg Fire Ins. Co. *v.* West, 12 Ins. L. J. 51 (S. C. of A. W. V., 1882).

Ordinarily such previous knowledge or oral agreements will not be admitted as evidence in a suit at law (except in such cases where the doctrine of estoppel can and ought to be applied). Barret *v.* Union Mutual Ins. Co., 7 Cush. (Mass.) 175. Pyndar *v.* American Mut. Ins. Co., 12 Cush. (Mass) 469. Jennings *v.* Chenango Co. Mut. Ins. Co. 2 Denn. N. Y. 75.

An insurance company will not be allowed to take advantage of the omissions of its agents notwithstanding the rule that all parol statements and negotiations are merged in the written contract. Beal *v.* Park Ins. Co., 16 Wis. 257, and cases cited therein. Lynchburg Ins. Co. *v.* West, 12 Ins. L. J., 51 (S. C. of Ass. W. Va.).

To permit verbal testimony to show what

was done by the agent does not contradict the written contract though the application was signed by the party; it proceeds on the ground that it was not his statement and that the insurance company by the acts of their agent in the matter, are estopped to set up that it is the representation of the assured. Insurance Co. *v.* Wilkinson, 13 Wall. (U. S.) 222. Lynchburg Fire Ins. Co. *v.* West, 12 Ins. L. J. 51.

In most of the States the Courts will apply the doctrine of waiver and estoppel, and under proper pleadings admit the evidence as to the facts, so as to enable the plaintiff to maintain his action for indemnity and not compel a resort to a Court of Equity to reform the contract. May on Insurance, 2nd Ed, 605-627. Herman's Law of Estoppel, 509-520. Flanders' on Insurance, 180-188.

It is clear that parol evidence in such cases is competent, its purpose is not to deny or contradict the written contract of the parties, but to preclude the party who framed it from relying on omissions or improper conditions, so that the risk should cover as it was represented to be. This rule ought to apply in all cases where the actual facts were fully and fairly disclosed. North America Ins. Co. *v.* Throop, 22 Mich. 146 (Ins. L. J. 98. Ins. Co. *v.* Winkinson, 13 Wall. (U. S.) 222, (1 Ins. L. J. 607), and cases. Kansas et al. *v.* Minnesota Farmer's Mut. Ins. Co., (S. C. Minn., July, '83, 12 Ins. L. J., 657. Mass. Mut. Life Ins. Co. *v.* Robinson, 11 Ins. L. J. 162, (S. C. Ill., March '81). Maryland Ins. Co. *v.* Gusdorf, 5 Ins. L. J. 384. Kingston *v.* Ætna Ins. Co., 42 Iowa, 46, (5 Ins. L. J., 352). L. & L. & G. *v.* Verdier, 33 Mich. 138. Richmond *v.* Maguire Ins. Co., 68 N. Y., 434, (9 Ins. L. J., 117.) Rowland *v.* Empire Ins. Co., 36 N. Y., 550. Commercial Ins. Co. *v.* Ives, 56 Ill. 402. Cooper *v.* Farmer's Mut. Ins. Co., 14 (Wright) Penn. 229. Young *v.* Hartford Ins. Co., 6 Ins. L. J. 543, 45 Ia. 377. Wood on Fire Insurance, 663, Sections 400, 402 and 403 and authorities cited in the notes. Electric Light Ins. Co. *v.* Fahrenburg, 68 Ill. 453. Devine *v.* Home Ins. Co., 32 Wis., 471. Campbell *v.* Merchants Ins. Co., 37 N. H., 41. Beal *v.* Park Ins. Co., 16 Wis. 257. Columbia Ins. Co., *v.* Cooper, 50 Penna St., 231. Haugh *v.* City Fire Ins. Co., 30 Conn., 10. Mallable Iron Works *v.* Phœnix Ins. Co., 25 Conn., 455. Kelly *v.* Troy Ins. Co., 3 Wis. 254. Henckle *v.* Royal Ins. Co., 1 Vesey, 317. Kenton Ins. Co. *v.* Sheer, 6 Bush, Ky., 174. National Ins. Co. *v.* Oraine, 16 Md., 260. Emery *v.* Piscataqua Ins. Co., 52 Me., 322. Mich. State Ins. Co., *v.* Lewis, 30 Mich., 41. Veele *v.* Germania Ins. Co., 26 Iowa, 9. American Ins. Co. *v.* Mahone, 21 Wall, (U. S.) 152. Ins. Co. *v.* Earle, 33 Mich, 143. Wheeler *v.* Watertown Ins. Co., 10 Ins. L. J., 354. Wakefield *v.* Orient Ins. Co., 10 Ins. L. J., 249. Whited *v.* Germania Ins. Co., 76 N. Y., 415, (8 Ins. L. J. 368). Eames & Cooley *v.* Home Ins. Co., N. Y., 94 U. S., 621, (6 Ins. L. J., 689). Planter's Ins. Co. *v.* Sorrels, (Finn) 4 Ins., L. J., 195. These authorities either sustaining the doctrine in part or in principle, are analogous.

And it is in precisely such cases as this that the courts of law in modern times have introduced the doctrine of estoppel in pais, and the general principle is well understood and applied in Courts of law as well as equity, where any technical advantage is sought to be obtained by a party who insists upon his own wrong to defeat the ends of justice or to resist an honest claim. May on Insurance, 1882 Ed. page 161, Sec. 143 and authorities cited. Union Mutual Ins. Co. *v.* Wilkinson, 13 Wall. U. S., 222.

An estoppel *in pais* is allowed to prevent fraud and injustice, and exists whenever a party cannot in equity or justice take advantage of his own act or negligence. Rowley *v.* Empire Ins. Co., 36 N. Y., 550. Ætna Ins. Co. *v.* Olmstead, 21 Mich., 246. Wood on Fire Ins., 837-840. Union Mutual Ins. Co. *v.* Wilkinson, 13 Wall. U. S., 212. Commercial Ins. Co. *v.* Ives, 56 Ill., 402. Brandup *v.* St. Paul F. & M. Ins. Co., (Minn.) 10 Ins. L. J., 222.

It does not look reasonable that the insurers will have the benefit of the contract and at the same time insist that it never became of any effect for the benefit of the insured or was void when made.

It is true that some of the State Courts have not yet adopted (in actions of law) the

modern practice of many other States, governing such questions, but adhere to the old rules, and will not permit parol evidence to raise an estoppel in such cases, but will require equity proceedings to reform the contract.

Where an agent in getting a policy, has by his own conduct misled parties into making applications or accepting conditions under a misapprehension as to their literal accuracy, the company is estopped by his action. Westchester Fire Ins. Co. Elrea & Reynolds, 5 Ins. L. J., 63, and cases cited there. 30 Mich., 41; 28 Mich., 173; 16 Mich., 380; 21 Mich., 246; 21 Wallace, 152; 12 Wall. 285; 12 Wall., 404; 13 Wall., 222; 20 Wall., 560; 6 Wall. 129; 22 Conn., 175; 162 B., (N. C.) 316.

The correct doctrine would seem to be where there is knowledge by the insurer or his agent at the time when the risk is taken, that the Company is estopped from setting up a misstatement in reference thereto in the absence of fraud on the part of the assured. The Wisconsin Supreme Court says, in Beal *v.* Park Ins. Co., 16 Wis. 257: "It appearing that there was no fraud or misrepresentation committed by the assured, and every thing relating to the risk was done with the belief that after the agents had examined and visited the premises the policy would be filled so as to make it valid. An insurance company will not be allowed to take advantage of the omissions of its agents, notwithstanding the rule that parol statements and negotiations are merged in the written contract."

The company was estopped from taking advantage of the acts of its agents done within the scope of their authority; and why should not an insurance company be estopped from setting up the knowledge of its agents, as well as the party who stands by and sees his property sold to an innocent third party?

In the case of Rowley *v.* Empire Ins. Co., 36 N. Y., 285, Fullerton, Judge, says that: "Hence these agents render such services as are necessary to enable the contracting parties to attain their respective objects, the one to insure and the other to be insured against fire; to hold that, in performing these acts, touching the very business that must necessarily be transacted before a policy can be effected, the insurance broker becomes the agent of the applicant for insurance, would seem to be an unnecessary and undesirable refinement." It is true this case has been overruled in New York by Rohrback *v.* Germania Ins. Co., 62 N. Y., 47, but the justice of and correctness of this position remains unanswered.

While it is not the intention of the writer to advocate or try to maintain a position that would relax any of the sound and wholesome rules that require integrity and good faith on the part of the assured; and while he would hold the assured to a strict compliance with his contract; and while he thinks the companies do not resist the payment of as many claims as they should, the idea at this point is to correct the practice of some offices as to the effect that the knowledge of the agent and his acts should have on the contract where there is no fraud.

The Supreme Court of New Hampshire, in a recent case in 59 New Hampshire, says: "The defendant had full knowledge of the state of the title, with that knowledge they issued the policy, and received the premium therefor. * * * On these facts the action may be maintained." Folsom *v.* Orient Ins. Co., 13 Ins. L. J., 176.

It is true that there is a great weight of authority against the position assumed in this paper, but justice and fair dealing will eventually require us to adopt the position assumed herein, to wit: "that the company ought to be responsible for the knowledge and acts of its agents, acting within the scope of their authority, in the absence of fraud on the part of the assured."

We will let the highest court in our country close this argument in their own language, as found in Insurance Co. *v.* Wilkinson, 13 Wall., U. S., 222:

"Insurance companies do business by agencies at a distance from their principal place of business, and are responsible for the acts of the agents within the general scope of the business intrusted to their care, and no limitations of authority will be as binding on parties with whom they deal

which are not brought to their knowledge. Hence when these agents, in soliciting insurance, undertake to prepare the application of the insured, or to make any representations to the insured as to the character or effect of the statements of the application, they will be regarded in so doing as the agents of the insurance companies and not of the insured."

"This principle is rendered necessary by the manner in which these agents are sent over the country by such companies, * * * * * which often leads to a disregard of the true principle of insurance as well as fair dealing.

* * * Where an agent has inserted in an application a * * * representation which the agent himself obtained from a third person and inserted without the assent of the assured, it was the act of the company and not of the assured, and did not invalidate the policy. * * * To permit verbal testimony to show this was done by the agent does not contradict the written contract; though the application was signed by the party, it proceeds on the ground that it was not his statement, and that the insurance company, by the acts of its agent in the matter, is estopped to set up that it is the representation of the assured."

WAIVER AS AFFECTED BY USAGES AND CUSTOM.

The insurer is bound to know from the nature of the business or risk, and the usages incident thereto, that certain things will be done, or articles kept, prohibited by the policy. Daniels *v.* Hudson River Ins. Co., 12 Cush., Mass., 416. Mery *v.* Buckeye Ins. Co., 25 Wisconsin, 291. Citizens Ins. Co. *v.* McLoughlin, 53 Pa. St., 485. Fowler *v.* Ætna Ins. Co., 7 Wend., N. Y., 270. Fulton Ins. Co. *v.* Milner, 23 Alabama, 420. Hancox *v.* Fishing Ins. Co., 3 Sum. (U. S.), 132. Spradley *v.* Hudson River Ins. Co., 1 Dill. (U. S. C. C.), 392. Mayor of New York *v.* Exchange Ins. Co., 3 Keys, N. Y., 436.

Where an agent has examined the premises and writes a policy on the contents of a building giving consent for its occupancy as a brewery, and it is stipulated that if the risk shall be increased without the consent of the insurers this policy shall be void. And after the fire, the company learns for the first time that in addition to the brewery, that the premises are also occupied as a distillery for distilling whisky. Held, a question for the jury to determine, whether the agent was told, or whether, from the examination he made of the premises, the same would be used for the purpose of a distillery as well as a brewery.

In the case of The Peoples' Ins. Co. *v.* Spencer, there was only a stipulation against an increase of risk. Should the thing be prohibited, the result would necessarily be different. Peoples' Ins. Co. *v.* Spencer, 53 Penn., 353. May *v.* Buckeye Ins. Co., 25 Wis., 291. Wood on Fire Ins., p. 842.

In order to establish knowledge on the part of the insurer or its agent of the real facts, and a consequent waiver of inconsistent conditions, it may be shown that the agent examined the risk, and might have ascertained, if he did not, its real condition. Continental Ins. Co. *v.* Kasey, 25 Gratt., Va., 268. Beal *v.* Park Ins. Co., 16 Wis., 257. Or that the insured informed him of the facts in relation thereto. Moliere *v.* Penna., Ins. Co., 5 Ravole, Penn., 341. Or that the matters set up in the defense are the usual incidents of the risk. Peoria Ins. Co. *v.* Hall, 12 Mich., 207.

To avoid the effects of this evidence, the insurer may show that the matters alleged were not the usual incidents of the risk, and were not discoverable on an ordinary examination, and that the insured did not point them out. Allen *v.* Vermont Mut. F. Ins. Co., 12 Vt., 336. 2 Bennett, F. In. Co., 13.

Where the condition provides that if certain articles are kept that the policy is void, or prohibits the keeping of the same as a part of the stock, although sanctioned by the local custom or usage, still the policy will be void, though the custom may have been known to the insurer.

The courts will not allow the introduction of evidence to show a waiver, or that it was customary to keep them. The usage must not be inconsistent with the words of the agreement. Beer *v.* Forrest City Mut. Ins. Co., S. C. Ohio, May 18, 1883. Macomber *v.* Howard Ins. Co., 7 Gray, Mass., 257. Benevolent Society *v.* Baldwin, 86 Ill., 479–

Thirty-ninth Annual Statement

OF THE

Connecticut Mutual Life Ins. Co.

OF

HARTFORD, CONNECTICUT,

NET ASSETS, January 1, 1884		$51,215,581 32
Received in 1884, for Premiums	$ 4,707,437 42	
" " for Interest and Rents	2,777,229 57	
" " Profit and Loss	17,347 91	7,502,014 90
		$58,717,596 22

DISBURSED IN 1884.

TO POLICY-HOLDERS.

For claims by death and matured endowments	$ 3,542,223 18	
Surplus returned to policy-holders	1,153,608 28	
Lapsed and Surrendered Policies	816,475 17	
TOTAL TO POLICY-HOLDERS	$ 5,512,306 63	

EXPENSES.

Commissions to Agents, Salaries, Medical Examiners' Fees, Printing, Advertising, Legal, Real Estate, and all other Expenses	$ 653,269 05	
Taxes	334,270 05	6,499,845 73
BALANCE NET ASSETS, Dec. 31st, 1884		$52,217,750 49

SCHEDULE OF ASSETS.

Loans upon Real Estate, first lien	$27,096,682 82
Loans upon Stocks and Bonds	283,000 00
Premium Notes on Policies in force	2,624,723 57
Cost of Real Estate owned by the Company	11,755,783 58
Cost of United States Registered Bonds	99,125 00
Cost of State and City Bonds	2,239,634 58
Cost of other Bonds	7,216,558 70
Cost of Bank Stock	122,761 00
Cost of Railroad Stock	26,000 00
Cash in Bank	750,110 64
Balance due from Agents	3,320 60
	$52,217,750 49

ADD—		
Interest due and accrued	$ 1,021,652 71	
Rents accrued	18,777 03	
Market value of stocks and bonds over cost	119,945 95	
Net premiums in course of collection	NONE	
Net deferred quarterly and semi-annual premiums	51,906 73	1,212,282 42
Gross Assets, Dec. 31st, 1884		**$53,430,032 91**

LIABILITIES.

Amount required to re-insure all outstanding policies, net, assuming 4 per cent. interest	$48,418,419 00	
Additional Reserve by Company's Standard, 3 per cent. on policies issued since April 1, 1882	73,834 00	
All other liabilities	815,955 34	49,308,208 34
Surplus by Company's Standard		$ 4,121,824 57
Surplus by Connecticut Standard, 4 per cent		4,195,658 57
Surplus by New York Standard, 4½ per cent., over		7,300,000 00

Ratio of Expenses of management to receipts in 1884	9.7 per cent.
Policies in force Dec. 31, 1884, 62,934, insuring	$152,230,685 00

JACOB L. GREENE, - - - - - - - - - *President*
JOHN M. TAYLOR, - - - - - - - - - *Vice President*
WILLIAM G. ABBOT, - - - - - - - - - *Secretary*
D. H. WELLS, - - - - - - - - - - *Actuary*

J. S. WILKINS, GENERAL AGENT,

315 California Street, *San Francisco Cal.*

486. Pavey *v.* Burch, 3 Md., 447. Stagg *v.* Conn. Mut. Life Ins. Co., 10 Wall. (U. S.), 589. Partridge *v.* Phœnix Mut. Life Ins. Co., 15 Wall. (U. S.), 573.

In the case of Beer *v.* Forest City Mut. Ins. Co., evidence was introduced to show that it was the custom and usage for dealers in that locality to keep gunpowder and petroleum, and that the company should have known this.

The following cases show clearly that parol evidences may change an ambiguous agreement, but never a clear one: Pary *v.* Burch, 3 Mo., 447. Macomber *v.* Howard Ins. Co., 7 Gray, Mass., 257. Van Alstyn *v.* Ætna Ins Co., 14 Hun., N. Y., 360. Beer *v.* Forest City Mut. Ins. Co., S. C. Ohio, May, 1883. Pindar *v.* Resolute Fire Ins. Co., 47 N. Y., 114. Stagg *v.* Conn. Mut. Life Ins. Co., 10 Wall., (U. S.), 589.

On this line the Supreme Court of the United States says: "It appears to us as it did to the Circuit Court, that the testimony offered would have established a new and distinct contract. It would have established a contract very different from the written one introduced by the plaintiff; the language was neither ambiguous nor technical. It required and needed no expert and no usage to discover its meaning. To have admitted the usage offered in evidence in this case would have been to make a new contract for the parties, differing from the written one." Partridge *v.* Ins. Co., 15 Wall., (U. S). 579.

While on this point I will give another decision, wherein the Court presents their reasons for the position fully. The case is Birmingham Ins Co. *v.* Kroegher, 83 Penn. St., 64: "Granted that carbon oil is usually kept for sale as a part of the stock of a country store; the same may be said of gunpowder, and perhaps the reason for the prohibition may be discovered in the fact that such a custom does exist, for if the articles were never found among such stocks, this provision would be useless. * * * If it were a question whether this kind of oil was an article of merchandise ordinarily included in the stock of a country store, or if it were only an inquiry as to the increase of risk, it might well be referred to the jury. But it is nothing of the kind; it is an express stipulation that petroleum and its products shall not be kept on the premises, and if so kept the policy is void. It matters not that it was a part of a customary stock, for, by express contract, it was excluded. The same reasoning applies to the knowledge of the company's agent that carbon oil was kept on the property at the time the insurance was taken, for his knowledge could not change the contract of the parties. * * * But in the case before us, the company has taken care to leave nothing open for inference, or by which it might be compromised by the knowledge or representations of its agents, and if the insured were misled by the representations put upon the policy by the agent he was misled by his own counselor, and he has no one to blame but himself."

Where a company permits one to act for it, and adopts the contract which he has made in its name, it cannot be permitted to deny his agency, nor to escape the results flowing from such agency. Thus, where a policy covered the stock of a general retail store, and the keeping of gunpowder was prohibited by the printed conditions of the policy: Held, that gunpowder formed a part of the stock ("of a general retail store") usually kept in such stores, and the keeping of gunpowder was not a violation of the conditions of the policy. Phœnix Ins. Co. *v.* Taylor, 5 Minn., 492. Sun Fire Ins. Co. *v.* 6 Wendall, N. Y., 488.

In the case of the Peoria Fire Ins. Co. *v.* Hall, 12 Mich., 202, the keeping of gunpowder was prohibited. The insured was permitted to show that the agent issuing the policy knew that gunpowder was kept, and that he intended to continue keeping it. The Court held that the company was estopped from setting up a defense of an avoidance of the conditions of the policy on account of the knowledge of the agent.

In Massachusetts, contrary to the current of authorities, the Court says if the assured shall keep on the premises any articles denominated hazardous, or included among the special hazards on the memorandum hereunto attached, "oil, sulphur, and matches were kept;" although the building was

permitted to be occupied as a grocery store, it was claimed that the right was given by implication: but as the keeping of these articles subjected the risk to an extra rate, and as no written consent was given, the keeping of these dangerous articles was held to have violated the condition of the policy, and the plaintiff was estopped from introducing evidence to show that it was customary to keep such articles in the stock, as the contract was plain and unambiguous. Whitemarsh *v.* Conway Fire Ins. Co., 16 Gray, 359.

In May on Insurance (1882 Ed.), page 300, commenting on this case, says: It may have been well decided on the failures of proof, that the Court certainly gave the insurer rather than the insured the advantage. No one can suppose that a person seeking insurance would ever make such a contract. * * * A similar case has also been decided in Virginia. Portsmouth Ins. Co. *v.* Brinckley, 2 Ins. L. J., 842.

In Kansas, where the policy provided that no excepted articles should be kept unless upon special consent, indorsed in writing on the policy, naming each article separately, the same has been held. Cobb *v.* Ins. Co. N. A., 17 Kansas, 502 and 503. This case being tried first and reported in 11 Kan., 93.

There very properly seems to be a distinction made whether the articles are kept for sale, or where they are necessary for use in the business. As the keeping of saltpetre for sale by a butcher may be fatal, while its keeping for use in his business is permissible. Commercial Ins. Co. *v.* Mehlman, 48 Ill., 313.

Where a policy was written covering a printing establishment, contained a clause exempting the insurers from liability for losses where camphene was kept, * * * and it was found that camphene was used for cleaning type, the Court held the policy valid, on the admission of evidence that camphene was habitually used by printers for that purpose, and that it was the best thing to clean type—that it was practically indispensable to carrying on the business. * * * It would have been otherwise, says the Court, had camphene been used for some other purpose, "as for lighting." Harper *v.* N. Y. City Ins. Co., 22 N. Y., 441.

In Hall *v.* N. Y. Ins. Co., 58 N. Y., 292, the use of kerosene was prohibited, but the stock was a photographer's, and the policy covered "photographer's stock, material, etc." It being shown that kerosene was usually employed in the business for heating paper and other purposes. Held, the prohibition did not apply, even though gas could have been used equally as well.

These cases seem to hold, and no doubt correctly, that where a prohibited article is necessary to conduct or carry on the business of manufacturing, that the insured knows or ought to know that their use is essential to conduct the business.

WAIVER AND ESTOPPEL AS APPLIED TO NOTICE AND PROOFS OF LOSS.

The courts have decided that where the policy conditions require notice and proofs, that they are a precedent of the assured's right to recover. Blakely *v.* Phœnix Ins. Co., 20 Wis., 217. Edgerly *v.* Farmers' Ins. Co., 5 Ins. L. J., 816 (43 Iowa, 587).

Proofs may be waived in various ways, by the manner of objecting to the loss or by action. Any act or thing done which will mislead the assured will be considered as a waiver. Proofs and notice must be furnished in time, or the loss is not payable. Smith *v.* Haverhill Ins. Co., 1 Allen, Mass., 297.

If notice is not furnished in time the company is not bound to speak, but might keep silent and be absolved from all liability. Bennett *v.* Lycoming Fire Ins. Co., 6 Ins. L. J., 189.

The courts seem to make a difference between silence as to notice and as to proofs of loss. There does not seem to be a case against the doctrine laid down as to notice, cited above, while the best authorities hold that silence when proofs are handed in is dangerous as to defects, if not fatal, the cause undoubtedly being that the insurer is supposed not to know of the loss until after the notice.

Where proofs are required within a given time, and the condition was not complied with: Held, that a substantial compliance with such a condition was necessary in order to recover on the policy. Blossom *v.* Lycoming Ins. Co., 64 N. Y., 162. Savage *v.*

Howard Ins. Co., 52 N. Y., 502. Underwood *v.* Farmers' Ins. Co., 57 N. Y., 500.

Held that the words "as soon as possible" admit of a reasonable construction, and require that they should be furnished with due diligence, all the circumstances considered. What would be a reasonable time where the facts are undisputed is a question for the Court, but in case of evidence to show obstacles in the way and reasonable diligence to overcome them, it is a question of mixed law and fact for the jury. Brink *v.* Hanover Ins. Co. 70 N. Y., 593 (6 Ins. L. J., 709). Phillips *v.* Protection Ins. Co. 14 Mo., 220. Ben Franklin Ins. Co. *v.* Flynn & Hamm, 12 Ins. L. J., 216 (98 Pa. 627).

The foregoing cases have been cited to show that the Courts will require proofs and notice to be furnished where there has been no waiver. It is a waiver of defective proofs of loss when other reasons are given and no mention made of the defects. Little *v.* Phœnix Ins. Co., 7 Ins. L. J., 471. Heath *v.* Franklin Ins. Co. 1 Cush. Mass., 257. Atlantic Ins. Co. *v.* Manning, 7 Ins. L. J., 157 (S. C. Col.) Post *v.* Ætna Ins. Co. 43 Barb., 357. Peoria Ins. Co. *v.* Whitehill, 25 Ill., 466. Farmers Mutual Ins. Co. *v.* Ensminger, 12 Ins. L. J., 40 S. C., Penna.

If the Company places refusal to pay on other grounds, it is a waiver of proofs of loss. Hartford Ins. Co. *v.* Smith & Doll. 7 Ins. L. J.. 140 (S. C. Col). Ætna Ins. Co. *v.* Shryer 12 Ins. L. J. 768. Brink *v.* Hanover Ins. Co., 9 Ins. L. J., 342 (80 N. Y. 108). Edgerly *v.* Farmers Ins. Co., 5 Ins. L. J., 846. Taylor *v.* Merchants Ins. Co. 9 Howard (U. S.) 390. Phillips *v.* Protection Ins. Co. 14 Mo., 221. Ben Franklin Ins. Co. *v.* Flynn & Hamm, 12 Ins. L. J., 216 (98 Pa. 627). Cornell *v.* Leroy, 9 Wend., N. Y. 163.

There seems to be a diversity of opinion as to whether an adjuster has power to waive proofs of loss. The better doctrine is that an agent sent by the company with power to ascertain the nature, cause and extent of the loss, has such power. Ætna Ins. Co. *v.* Shryer, 12 Ins. L. J., 768, S. C. Ind. Jan., 1882. Brink *v.* Merchants Ins. Co., 49 Ver. 442. Eastern, &c. *v.* Relief Ins. Co., 105 Gray 497. Gloucester Man. Co. *v.* Ins. Co. Gray, 497.

Inability to furnish correct proof of loss not company's fault but his own. Blakely *v.* Phœnix Ins. Co. 20 Wis. 105.

Nevertheless, where the insured is incapacitated by severe illness or insanity, performance of the condition is excused (but the assured will have to prove the fact). Insurance Co. *v.* Boykin, 12 Wall. (U. S.) 433.

Where the proofs are declared defective the insurer need not go any further although requested to do so, and an answer that the policy will show what further is required is no waiver. Spring Garden Ins. Co. *v.* Evans, 9 Md. 1. Kimball *v.* Hamilton Fire Ins. Co. 8 Bos. N. Y. Superior, 495.

Good faith however will require the insurer to point out the particular defect, if a strict compliance is required, otherwise only a general one may be had. In Blake *v.* Exchange Ins. Co., 12 Gray, Mass., 265, the doctrine is held that the insurer ought to point out wherein additional or different proofs are required. Also see Phillips *v.* Protection Ins. Co. 14. Mo. 220.

The insurer must act in good faith in order to have the benefit of a violation of the conditions. Clarke *v.* New Eng. Ins. Co., 6 Cush., Mass., 342. Cornell *v.* Leroy, Wend., N. Y., 163. May on Ins. (Edition 1882) pages 711 and 712.

Objections to the sufficiency of proofs must be specifically stated and their acceptance and retention without such objection is a waiver. Walker *v.* Ins. Co. 56 Me. 371. Home Ins. Co. *v.* Cohen, 20 Gratt. (Va.) 312. Keeney *v.* Home Ins. Co., 7 Ins. L. J., 108. Boynton *v.* Clinton Ins. Co., 11 N. Y., 554. Priest *v.* Citizens Ins. Co. 3 Allen, Mass., 604. Pratt *v.* N. Y. Central Ins. Co. 51 N. Y., 505.

Instructions to make proofs followed by a proposition to settle, which was not accepted and was afterwards withdrawn, was not a waiver of proofs. Warner *v.* Ins. Co. 7 Ins. L. J., 628.

An offer to compromise never estops the party making it setting up any legal defense, or any right, to which the offer relates. Cook *v.* Continental Ins. Co., 70 Mo., 610 (9 Ins. L. J., 887).

No part of a letter written as an offer of compromise admissible as evidence. Home

Ins. Co. N. Y. *v.* Baltimore Warehouse Co., 6 Ins. L. J., 39 (U. S. S. C. Oct. term, 1876).

Where objections are not made within a reasonable time, and there has been a personal investigation of the amount of the loss and negotiations for a settlement, and no mention made of said objections, held to be a waiver. O'Neil *v.* Buffalo Ins. Co., 3 Conn., 122. Ætna Ins. Co. *v.* Tyler, 16 Wend., 385.

Where one or particular defects are made known, all others are waived. Ayers *v.* Hartford Ins. Co. 17 Iowa, 176.

Negotiations for a settlement after the receipt of defective proofs, and no objections made as to defects, held to be a waiver of the same. Graves *v.* Washington Ins. Co. 12 Allen, Mass. 391. Hibernia Ins. Co. *v.* O'Connor, 29 Mich. 241.

Where a strict examination has been held under oath covering all the facts, which would be included in the proofs, in the absence of any special demand by the company for said proofs, held to be a waiver of the condition requiring them, and the sixty days began to run from the date of said examination. Badger *v.* Phenix Ins. Co., 49 Wis. 396 (9 Ins. L. J., 627).

The same rule as to objections to certificates will be held as are given regarding proofs in the preceding cases. The mere taking of a sworn statement of insured and other parties concerning various facts connected with the loss, where the insured was distinctly notified that the intention was not to waive formal proofs, held to be no waiver. Ins. Co. of N. A. *v.* Bainbridge, 7 Ins. L. J., 772.

It has been held that there was a waiver of a forfeiture when a strict examination held under oath after the insurers had notice of the forfeiture, on the principle that the insurer had no right to make the examination, save only by virtue of the policy. That the act of examination recognized the validity of the policy, and that the insurer took this action after he knew of the forfeiture, and he cannot now claim it to be valid. Titus *v.* Glens Falls Ins. Co. 8. Ins. L. J., 669. Minty *v.* Armenia Ins., Co. 78 Pa., 478. On this line is the case of Webster *v.* Phenix Ins. Co., 36 Wis., 67 (3 Ins. L. J., 931).

An appraisement may be had and loss or damage fixed, subject to terms and conditions of the policy, and it will not be a waiver of any of the Company's rights, save as to the fixing of the amount. The same rule is true as to an adjustment when the proper reservation is made. Whipple *v.* N. B. & M. Ins. Co., 11 R. I., 139 (5 Ins. L. J., 71).

An adjustment is a waiver of objections to notice and proofs of loss. Havana Banking & Ins. Co. *v.* Mayer, Ill. S. C.

An adjustment having been made with full knowledge that other insurance had been procured without consent is a waiver of the policy condition. Gray *v.* Peabody Ins. Co., 10 W. V. A., 560, (6 Ins. L. J., 769. Egan *v.* Ætna Ins. Co., 6 Ins. L. J., 832. Webster *v.* Phœnix Ins. Co., 37 Wis., 57, (3 Ins. L. J., 931). Ben Franklin Fire Ins. Co. *v.* Flynn & Hamm, 12 Ins., L. J., 216. Harvard Assignee *v.* National Ins. Co., 52 Mo., 181.

Mere delay on the part of the Company in making known their objections to proofs of loss, does not amount to a waiver of defects therein, but their retention for an unreasonable time without objections, will be treated as such, and the Company estopped from setting up non-compliance with the condition. Objections should be promptly made and defects specifically pointed out. Hartford Ins. Co. *v.* Walsh, 54 Ill., 164. Globe Ins. Co. *v.* Boyle, 21 Ohio St., 119. Franklin Fire Ins. Co. *v.* Chicago Ice Co., 36 Md., 102.

Proofs of loss are not waived by an alleged verbal promise of the President to send a check on his return home, which was denied by the President. Universal Fire Ins. Co. *v.* Weiss Bros., 13 Ins. L. J., 573, S. C. Pa., April 1884.

An absolute and unqualified denial of liability by the insurer waives proofs, by the act he admits the loss, and the denial acts as a notice that the claim will not be paid on grounds other than a failure to make proofs; and the insured may commence his action at once without making proofs. Warren *v.* Peoria Ins. Co., 14 Wis., 318. Farmer's Mut. Ins. Co. *v.* Ensminger, 12 Ins., L. J., 40. Phœnix Ins. Co. *v.* Taylor, 5 Minn., 492. Taylor *v.* Merchant's Ins. Co., 9 Howard (U. S.) 390.

The New Brunswick Supreme Court has held that silence was no waiver. Mere silence, say some, is not a waiver when the insurer is not bound to speak, where there is no conduct calculated to mislead the insured. See South Side Fire Ins. Co. *v.* Miller, 8 Ins. L. J., 260. Franklin Ins. Co. *v.* Chicago Ice Co., 36 Md., 102. Ayers *v.* Hartford Ins. Co., 17 Iowa, 176. Savage *v.* Com. Ex. Ins. Co., 4 Bos. N. Y., 1. Kenan *v.* Mo. Mut. Ins. Co., 12 Iowa, 126.

In New York on the first trial of Brink *v.* Hanover Ins. Co., 70 N. Y., 593, (6 Ins. L. J. 707). One of the points raised was a waiver of proofs by silence. A special agent visiting having stated that he believed there was fraud, and it was questionable whether they did not fire the store. This was about three weeks after the fire. The fire occurred about November 23rd, and the proofs were completed on the 8th day of January, and were finally filed with theCompany on the 16th day of February. The Court said it the (Company) could do nothing to prevent them from furnishing the proofs, or cause them to omit furnishing them, and then claim they were not furnished in time, but it could keep silent and wait, and if not furnished in time it could be absolved from all liability under the policy. Citing Underwood *v.* Farmer's Joint Stock Ins. Co., 57 N. Z., 500. Bumsted *v.* Dividend Mut. Ins. Co., 12 N. Y. 81. Worsley *v.* Wood, 6 T. & R. 710.

It had through its agents said and done nothing to induce the plaintiffs to believe that the proofs would be dispensed with. All that it had said and done indicated that it had some suspicion as to the honesty of the loss, and hence should have made the plaintiffs scrupulously exact in complying with all the requirements of the policy. The claim that the service of proofs was waived by what was said on the 16th of February, that the defendant refused to pay on the ground of fraud only; * * * if proofs of loss are served in time and they are merely defective, and if they are retained without objection, or are objected to on some other ground, or refusal to pay is on some other ground, the insurer can not afterwards set up the defect as a defense to an action for a loss. Good faith requires him to point out the defect, as his silence or conduct has induced the insured to rely on his proofs as sufficient, when he could have completed them if imperfect, he is estopped from relying on a defect thus acquiesced in. But if no proofs are served in time, and the insurer has done nothing to induce the omission, a different case is presented. There the assured has lost all his rights under the policy, and the insurer has become absolved from all liability. * * * A simple waiver will not be sufficient—it must be a waiver resting on an estoppel or a new agreement. Here there was no new agreement and no estoppel. * * * It was not bound to specify all its defenses at the peril of losing those not specified. By nothing that it could then say or do could the plaintiff be misled as to their proofs of loss, which were then long overdue. Before the defendant can be estopped, it must have said or done something upon which the plaintiff relied, and in reliance of which they omitted to furnish proofs. Such was not the case here, and could not have been. These views, say the Court, are fully sustained by Diel *v.* Adams Mutual Ins. Co., 58 Penn., 452. Trask *v.* Ins. Co., 29 Penn., 98. Patrick *v.* Ins. Co., 43 N. H., 621. Bennett *v.* Ins. Co., 66 Pa., 9. Underwood *v.* Farmer's Ins. Co., 57 N. Y., 500.

On the second review of the Brink case, 80 N. Y., 108 (9 Ins. L. J., 343), the Court reversed this decision and said: "It is now the doctrine of this Court that no new consideration is required to support a waiver by an insurance company of a condition in respect to the time of serving proofs of loss, and that it may be done by acts and conduct indicating an intention to waive such conditions, although there may be no technical estoppel. The New York Court has taken the same position in two other cases since the first review of the Brink case. See Goodwin *v.* Mass. Mut. Life Ins. Co., 73 N. Y. 430. (7 Ins. L. J., 862.) Prentiss *v.* Knickerbocker Life Ins. Co., 8 Ins. L. J., 708.

I have quoted the text on the first review of the Brink case, notwithstanding the Court has ruled differently on the same case since.

The facts as appearing may have been different, still the arguments remain unanswered.

If the insurer will not try to be so double-faced all this trouble can be avoided. The action of many of our fraternity is not unlike the servant of the literary man referred to in the following anecdote: Who one day wished to be undisturbed and instructed his Irish servant to admit no one, and if any one called for him to give an equivocal answer. When evening came he proceeded to interrogate Pat as to his visitors. "Did any one call?" "Yes, sir, wan gintleman." "What did he say?" "He axed was your honor in." "What did you tell him?" "Sure I gave him a quivocal answer, just." "What was that?" "I asked him was his grandmother a monkey."

Most attempts to be equivocal or deceitful by silence or double-dealing will eventually result in establishing a waiver and in compelling as ludicrous an answer as that of the servant referred to, or in making us think we are no distant relative of the animal Pat referred to.

Fair dealing requires us to point out defects so that the assured be dealt with even as we would have him deal with us.

In the Supreme Court of Pennsylvania, February term, 1883, in the case of the Universal Fire Ins. Co. *v.* Morin 13 Ins. L. J., 93, the Court held that where proofs were sent in and certified by the notary as having been sworn to, but the assured had not signed them, and the notarial seal was not attached to the jurat, but was to the certificate following. The assured wrote the company about his claim after sending in his proofs, and their silence was held to be a waiver. This decision carries out the principle laid down in Taylor *v.* Merchant's Ins. Co., 9 Howard U. S., 404.

Where the Court comments on the case of Columbia Ins. Co. *v.* Lawrence, 2 Peters, U. S., 25, where the Court held silence to be no waiver, the objection to the certificate being raised first at the trial but allowed the case to go back and the assured to procure a certificate, the case was finally adjudicated in 10 Peters, U. S., 507.

And as nearly all, if not all, these cases that claim silence is no waiver have been repudiated by later decisions in their own States this position would seem an unsafe one. The only safe position is to point out the defects specifically or to refer the assured to his policy as has been before suggested.

A company can safely set up other objections and insist on the insured furnishing proofs of loss, or insist on the defects in the same being corrected. Farmers Ins. Co. *v.* Frick, S. C. Ohio, April, 1877, 6 Ins. L. J., 462. Home Ins. Co. *v.* Lindsey, 26 Ohio St. 348.

The taking of another and distinct objection is not a waiver of the first, neither does one destroy or waive the other, there being no duplicity. Blossom *v.* Lycoming Ins. Co., 64 N. Y., 62, 5 Ins. L. J., 302.

Further, how can a party waive or be estopped from taking an objection which he distinctly asserts and makes at the very first opportunity?

Where there had been a forfeiture and the assured wrote the Company and the reply was, "From the communication it is impossible to tell the object of the writer," and the agent was requested to inform him that any claim against the Company must be made in strict compliance with the terms of the policy. Held, not to be a waiver.

Upon presentation of defective proofs, the plaintiff was notified that if he had a claim, the proofs must be made in accordance with the policy provisions, and he was at the same time informed that he had violated the conditions of the policy concerning other insurance, and the Company would rely on the forfeiture. Held, that it was the duty of the plaintiff to furnish sufficient proof, and his expense in perfecting them under the circumstances did not estop the Company from relying on the forfeiture. Phœnix Ins. Co. *v.* Stevenson, Ky. C. A., 8 Ins. L. J., 922. The following from annotations from editor, Ins. L. J. on above case, page 930, 8 Ins. L. J.

The position taken by the Court would seem to be essential for the protection of the insurer in all his rights, if the mere demand for formal proofs, with a knowledge that the insured had violated a policy stipulation, were liable to operate as a waiver of

such stipulations, it would follow that the insurer must surrender his rights. To demand such proofs, if he would avail himself of the breach, or at any rate that he could not safely demand proofs without at the time being careful to notify the insured of the proposed future line of defense. For it is a well settled principle in the law of waiver, that a distinct denial of liability on other grounds is a waiver of proofs of loss or their sufficiency. Crawford Co. Mutual Ins. Co. *v.* Cochrane, 8 Ins. L. J. 549. Little *v.* Phœnix Ins. Co., 7 Ins., L. J., 471. In Atlantic Ins. Co. *v.* Manning, 7 Ins. L. J., 157, S. C. Col., and other cases cited on page 931, 8 Ins. L. J. See May on Ins., Sec. 464, 468, 469, 470, 473 to 477, wherein the doctrine of waiver and estoppel as applied to proofs of loss is quite thoroughly discussed.

A careful study of this subject will show that it is true in law that all agree ments and conversation had prior to the writing of the policy are merged in the written contract, unless clearly shown to be incorrectly written, or that the fact was waived by previous knowledge. In all cases where the contract was not correctly written or where there is a waiver on account of previous knowledge, oral evidence may be received to establish the fact, and if clearly shown the Company will either be estopped from setting up a breach of the condition of the policy, or proceedings in equity may be resorted to, to have the contract reformed. In all other cases the Courts will not allow oral or verbal testimony to vary the terms of the written contract. In order to avoid contention and to raise the standard of the profession, the agent should inform the assured as to the part he is required to perform. He should be very particular about this point, especially when writing the contract to embrace or merge all oral agreements made with the assured, as well as all existing circumstances that will vitiate the printed conditions of the policy. Then the company will know what he has bargained for it to carry, and the assured will have the contract in his possession, the same as he has bargained and paid for, and is entitled to. Otherwise the agent is liable to find himself, sooner or later, in the predicamant of a farmer I knew in my younger days, who considered himself quite sharp, and was a highly respected member of the community. Having some hams and shoulders I wished to smoke, I took them to his place for that purpose. He then proceeded to instruct me, as to how the shoulders should have been cut, they should be round at the bottom, so they would look like ham, asserting that he did so and sold them for ham and gained one cent a pound. That very day he took his shoulders (so called ham) to the country merchant and sold them for ham, receiving his extra cent a pound, and was quite jubilant in relating his sharp practice. It happened in this case that the party to whom the merchant sold these shoulders knew the difference, and explained the same to the merchant, who sent for the sharp farmer and made him take his shoulders home. The farmer plead that he had sold them for shoulders, but the merchant produced his books which established the fact that he had been paid the price of ham, further that it was ham that he wanted for his customers. Then the farmer concluded that his boy had made the mistake, and taken the shoulders in lieu of the ham out of the store-house. We will find it more to our credit to deliver just what we have sold, and far more profitable in the long run. Do not try to palm off deception for truth, false contracts and actions for real ones, leading a man to believe that you have delivered what you have sold when you have not. Don't try to make him think that "shoulders are ham." Then it will not be necessary to blame some boy for our acts.

The adjuster should try not to deceive. If he finds that the conditions of the contract have been violated, notify the assured in a plain straight-forward manner, being careful to state plainly that liability is neither admitted or denied; but from present information it appears that the contract is void. If it is desired to have the adjustment proceeded with, that you will require him (the assured) to sign a written agreement that the adjuster's acts in the further investigation of the facts shall be considered no waiver of any of the Company's rights. If a settlement is not reached before leaving, serve a written notice on the assured, stating that

from your present knowledge you are inclined to think the contract void. That you waive none of the company's rights, but stand by and maintain all of them, and if he expects to recover he will be held to a strict compliance with all the conditions of his policy, more especially to those conditions relating to proceedings in case of loss.

Whoever heard of a case of waiver claimed where the contract embraced all the contingencies bargained for, and the adjuster acted as herein directed. Instances wherein waiver is claimed rarely if ever occur under such circumstances.

In the discussion of this question it has been the intention to devote the most attention to those points where the authorities disagree, and show why the positions taken are the correct ones. And while in some instances some may think that the position assumed is against the interests of the underwriters, such is not the case. It is better for us to see our faults and inconsistencies, and then proceed to rectify them. While it is true that the companies are imposed on and defrauded far oftener than they defraud or wrong their customers, still we do not want to be like the man in the fable, who carried his neighbor's faults in a bag in front so that he could see them, and his own in a bag behind so that he could not view them. Let us be consistent and look at our own failings, and insist on their correction. We can then urge the correction of our neighbor's faults with a greater degree of consistency.

Firemen's Relief Fund Law.

Following is a full text of the Firemen's Relief Fund bill, as amended, which passed the Legislature at its recent session and was signed by the Governor.

The people of the State of California, represented in Senate and Assembly, do enact as follows:

SECTION 1. There shall be paid to the County Treasurer of every county, or city and county, in this State, for the use and benefit of the firemen's relief fund of such county, or city and county, on the first Monday of December in each year, by every person who shall act as agent for or on behalf of any corporation or company not incorporated by or under the laws of this State, but carrying on the business of insurance against loss or injury by fire upon property in this State, a sum equal to one per centum upon the amount of all premiums which, during the year, or a part of a year, ending on the last preceding first Monday of September, shall have been received by such agent or person, or any other person or agent acting during such period for said corporation or company so engaged in said business, or shall have been agreed to be paid to such corporation or company, or his or their agents, for any insurance effected, or agreed to be effected, by such corporation or company, against loss or injury by fire upon property situate within the limits of such county, or city and county.

SEC. 2. The tax provided for by this act, when paid or collected by the person or officer entitled thereto, shall constitute a fund to be known and designated as the "Firemen's Relief Fund" of the county, or city and county, in which the property insured, or agreed to be insured, is situated.

SEC. 3. Such fund shall be under the exclusive control of the fire commissioners, or other governing body of the fire department or fire departments of such county, or city and county, under such general regulations as the board of supervisors thereof may prescribe.

SEC. 4. The board of fire commissioners, or board of trustees, or other governing body, of the respective fire departments, or companies, on whom is devolved the care and control of the various relief funds provided for by this Act, shall have the power by a unanimous vote, to relieve from service, at fires, or retire from all service, in the fire department, or company, respectively under their control, any officer or member of said fire department, or company, who may, upon an examination by a medical officer, designated by such governing body, be found to be disqualified physically or mentally, for the performance of his duties, and the said officer or member so retired from service shall receive from such relief fund an annual allowance, as pension, in case of the total disqualification for service, or as compensation for limited service, in case of partial disability; in every case said governing body to determine the circumstances thereof, and in case said officer or member shall theretofore have been paid any salary for the services rendered by him, said pension, or allowance, shall be in lieu of such salary, and the department or company to which he may be attached shall not be or be held liable for the payment of any claim or demand for services thereafter rendered by the individual so relieved or retired from fire duty in said department or company; and the amount of such pension or allowance shall be determined upon the following conditions: In case of total permanent disability caused or induced by the actual performance of his duties, or which may occur after ten years actual and continuous service in the said fire department or company, the amount of annual pension to be allowed shall be one-half of the annual compensation allowed such officer or member as salary at the date of his retirement from

STATEMENT

OF

The Mutual Life Insurance Co. of New York,

F. S. WINSTON, PRESIDENT,

FOR THE

Year Ending December 31st, 1884.

Assets **$103,876,178.51**

ANNUITY ACCOUNT.

	No.	Ann. Payments.		No.	Ann. Payments.
Annuities in force, Jan. 1st, 1884	61	$23,134 31	Annuities in force, Jan. 1st, 1885	61	$23,661 63
Premium Annuities		3,674 96	Premium Annuities		2,994 44
Annuities Issued	5	1,756 70	Annuities Terminated	5	1,909 90
	66	$28,565 97		66	$28,565 97

INSURANCE ACCOUNT.

	No.	Amount.		No.	Amount.
Policies in force Jan. 1st, 1884	110,990	$342,946,032 00	Policies in force, Jan. 1st, 1885	114,804	$351,789,285 00
Risks Assumed	11,194	34,675,989 00	Risks Terminated	7,380	25,832,736 00
	122,184	$377,622,021 00		122,184	$377,622,021 00

REVENUE ACCOUNT.

DR. CR.

To Balance from last account	$94,972,108 86	By paid Death Claims	$ 5,226,820 83
" Premiums received	13,850,258 43	" " Matured Endowments	2,490,454 99
" Interest and Rents	5,245,059 98	" " Total Claims— $7,717,275 82	
		" " Annuities	26,926 08
		" " Dividends	3,141,164 12
		" " Surrendered Policies and Additions Total paid Policy-holders— $13,923,062 19.	3,037,696 17
		" " Commissions, (payment of current and extinguishment of future)	907,846 19
		" " Premium charged off on Securities Purchased	1,131,172 33
		" " Taxes and Assessments	223,169 61
		" " Expenses	872,263 87
		" " Balance to New Account	97,009,913 08
	$114,067,427 27		$114,067,427 27

BALANCE SHEET.

DR. CR.

To Reserve at four per cent	$ 98,242,543 00	By Bonds secured by Mortgages on Real Estate	46,978,527 96
" Claims by death, not yet due	862,387,00	" United States and other Bonds	34,522,822 00
" Premiums paid in advance	27,477 36	" Loans on Collaterals	6,898,387 50
" Surplus and Contingent Guarantee Fund	4,743,771 15	" Real Estate	10,282,693 04
		" Cash in Banks and Trust Companies at interest	2,644,988 54
		" Interest accrued	1,262,418 54
		" Premiums deferred, quarterly and semi-annual	1,103,115 38
		" Premiums in transit, principally for December	138,714 51
		" Suspense Account	37,314 14
		" Agents' Balances	7,196 90
	$103,876,178 51		$103,876,178 51

NOTE.—If the New York Standard of four and a half per cent. interest be used, the surplus is over $12,000,000. From the Surplus, as appears in the Balance Sheet, a dividend will be apportioned to each participating Policy which shall be in force at its Anniversary in 1885.

A. B. FORBES, GENERAL AGENT FOR THE PACIFIC COAST

214 Sansome Street, San Francisco.

service; or such less sum in proportion to the number of persons in receipt of an allowance from said fund as its condition will warrant, the same to be determined by said governing body. In case of total permanent disability, not caused in or induced by the actual performance of the duties of his position, or which shall have occurred before the expiration of ten years active and continuous service in said fire department or company, the amount of annual pension to be allowed shall be one-third of annual compensation allowed such officer or member, as salary at the date of retirement from service, or such less sum in proportion to the number of persons in receipt of an allowance from said fund as its condition will warrant, the same to be determined by said governing body. In case of partial permanent disability caused in or induced by the actual performance of the duties of his position, or which may occur after ten years active and continuous service in such fire department or company, the officer or member so disabled shall be relieved from active service at fires, but shall remain a member of the department or company, subject to the rules governing the same, and to the performance of such other duties as the medical officer, designated by said governing body, may certify him to be qualified to perform; and the annual compensation to be paid such officer or member shall be one-half of the annual compensation allowed him as salary, at the date of his being so relieved, or such less sum in proportion to the number of persons in receipt of an allowance from said fund as its condition will warrant, the same to be determined by said governing body. In case of partial permanent disability not caused in or induced by the actual performance of the duties of his position, or which may occur before ten years active and continuous service in said fire department or company, the officer or member so disabled shall be relieved from active service at fires, but shall remain a member of said department or company, subject to the rules governing the same, and to the performance of such duties as the medical officer designated by said governing body may certify him to be qualified to perform, and the annual allowance to be paid such officer or member shall not exceed one-third of the annual compensation allowed him as salary, at the date of his being so relieved, or such less sum as the said governing body may, in their discretion, determine, or as the condition of the fund will warrant. If any officer or member of said department or company, or retired officer or member of said department or company, shall die while in the service of the same, or while so retired, and shall leave a widow, or if no widow, a child or children under the age of sixteen years, a sum not exceeding five hundred dollars, or such less sum as in the opinion of the governing body the circumstances may require, or the condition of the fund warrant, by way of annuity, shall be paid to such widow so long as she remains unmarried, or to such child or children, so long as the youngest of said children continues under the age of sixteen years. In every such case, the said governing body shall determine the circumstances thereof, and order payment of the annuity to be made in such proportion to the various representatives, in case there be more than one, as they may deem just, but nothing herein contained shall render any payment of said annuity obligatory on said governing body, or chargeable as a matter of legal right, and such body may at any time order said annuity to be reduced or to cease. No allowance or pension shall be given or made in any case where the disability or death is the result of any unlawful or immoral act or conduct on the part of the individual disabled or dying.

SEC. 5. The respective governing bodies in this Act referred to are hereby authorized and empowered to make such further and other rules and regulations, not inconsistent with the provisions of this Act, as they may deem requisite for the proper management and disposition of said relief fund.

SEC. 6. This Act shall take effect immediately, but shall not be construed to affect any premiums heretofore collected or paid.

Annual Muster, First California Underwriters.

BY D. M. B.

First, Sexton appears, with visage so merry—
He sticks to his *rule*, "To build up, not to bury!"
And having worked long with a Carpenter able,
Though he ne'er made coffins, he *can* make a table.
Then Kinne draws near, and he bears on his back
A terrible burden, the "California Knapsack;"
He, too, has a rule—'tis as plain as can be:
"To do all that he can for the L. L. & G."
Next, Mitchell approaches, on his banner so gay,
"The oldest and largest in Ameri-*ca!*"
Erect and with face all full of hope,
Tho' he carries a *mountain*, enters our Pope.
Then Farnfield approaches, the banner he bears:
"In Union is strength," very truly declares.
Belden's off for the Islands, or he'd be here to-day,
And he for himself would have plenty to say;
But he left word with us, "Tho' our emblem's a *deer*,
Our policy is not—that one thing is clear!"
Who is this, whose presence casts such a gloom
Over us all, as he enters the room?
A feeling of sadness (?) pervades the still air
When every one knows that George Grant is there.
Luxuries are excellent things indeed,
But Staples the best in time of need;
A first-rate sample of these is here,
When we see the stalwart J. W. appear.
Ask Hagan and Manheim, their answer will be:
"He's more than captain—he's the whole *company!*"
My time is too short to mention them all,
As they rapidly enter to be at roll-call;
But if any should feel exceedingly vexed,
We'll try and remember them in time for our next.

—*California Knapsack.*

Remonstrance Against the Co-operative Bill—Does the New Law Permit Non-fraternal Co-operative Insurance?—Summaries of the Laws of Other States.

The publisher of the COAST REVIEW hastily prepared a remonstrance against the signing of the substitute for Assembly Bill No. 35, and forwarded it to Governor Stoneman. This remonstrance, which we print below, was favorably received by the Governor, and audience subsequently given to its author. Governor Stoneman apparently understood the situation exactly, recognizing the fact that the word "associations" includes all wildcat co operatives. He understood the nature of these hat-passing swindles, for he characterized them as "tramp insurance companies." We are indebted to him for the word. "Tramp," as applied to wild-cat co-operatives, is amusingly appropriate. Yet the Governor, at the last moment, signed the bill. John C. Maynard, of the lobby, and Jordan, the demagogue, and the insurance "tramps" they represented, have apparently triumphed.

Learning that the Governor would probably pocket the bill, the desperate gang of co-operatives brought every influence to bear to persuade him to reconsider his resolution. The most plausible misrepresentations and downright falsehoods were employed to convince the Governor that the bill was in the interest of fraternal societies, and that if he withheld his signature they would have to "close up" under the present law. The alternative, apparently, was to choose the lesser evil. To save the benevolent insurance societies from extinction, or at least from embarrassing and injurious lawsuits, the Executive felt compelled, by the exigencies of the case, to sign a bill which he believed to be prejudicial to the fraternal insurance societies, unfair to the regular life insurance companies, and designed to promote the schemes of unscrupulous men. That is doubtless the way he looked at it. He was deceived by the specious arguments and bold misrepresentations of the wildcat co-operatives, who were masquerading as the friends of the fraternal societies.

It is not improbable that the Supreme Court will decide that the new law does not exempt the speculative co-operatives from the provisions of the insurance laws. Certainly the Legislature did not imagine for a moment that this amendment was designed to foster wildcat co-operative insurance, and embodied, necessarily, the very evils for which the Lynch and Jordan bills were previously rejected. It is equally certain that co-operative humbugs like the marriage-endowment and self endowment associations and the American Eagle Association of this city, or the Mutual Reserve Fund Association, *et al*, are not "benevolent or fraternal co-operative societies." They are no more benevolent, no more fraternal, no more co-operative, than the New York Life Insurance Company or any other purely mutual old-line life insurance company, and it cannot be more truly said of the latter than of the former that they are organized "for profit." If the amendment exempts from the provisions of the insurance laws the speculative co-operatives, such as those named, it must likewise exempt all mutual life insurance companies, whether the premiums are paid in advance or in mortuary assessments.

If, however, the Supreme Court rules that "associations [*or* secret orders] and other benevolent *or* fraternal co-operative societies" applies to wildcat co-operatives, we hope they will flock in at once and give the ignorant all the "cheap insurance" they want. The more the merrier, and the sooner ends the feast. These "tramps" will use up material that would otherwise be absorbed by the fraternal co-operatives, and soon make it extremely difficult for the latter to keep their death rate reasonably low by an influx of new members. The fraternals can blame themselves only. Their interests were opposed to the enactment of the new law, and had they dispatched a duly credited representative to the Executive with a protest against the bill, he would not not have been deceived by Maynard and Jordan and their agents.

THE REMONSTRANCE.

SAN FRANCISCO, CAL., March 11, 1885.

To the HON. GEO. STONEMAN,
Governor of the State of California:

DEAR SIR—The following Act passed the Legislature at its recent session and now awaits your consideration:

SECTION 1. A new section is hereby added to said Civil Code to read as follows:

SECTION 451. All associations or secret orders and other benevolent or fraternal co-operative societies incorporated or organized for the purpose of mutual protection and relief of its members and for the payment of stipulated sums of money to its members, or to the family of deceased members, *and not for profit*, are declared not to be insurance companies in the sense and meaning of the insurance laws of this State, and are exempt from the provisions of all existing insurance laws of this State.

As a representative of the life insurance interests of this State, and in behalf of the many ill-informed people who will be duped by fraudulent associations operating under this Act, I wish to protest against the said Act becoming a law, for reasons set forth as briefly as possible as follows:

1. Under the provisions of this Act associations that are not fraternal in their character, and are without the safeguards of fraternal societies, may organize, or be admitted from other States. Technically speaking, no assessment insurance association without capital stock is organized "for profit," though they are organized to provide lucrative and easy employment for the officers.

2. This Act places no restraints on such speculative and irresponsible enterprises as the Youth's Mutual Self-Endowment Association of San Francisco, the California Life and Accident Association of San Francisco, the American Eagle Association of San Francisco, the Universal Benevolent Association of San Francisco, (a marriage endowment company recently failed), the People's Accident Association of San Francisco, the Mutual Benefit Life and Accident Association of New York, and other mushroom schemes of adventurers.

3. This Act will admit, without any restrictions, equally irresponsible associations from other States, such as the Texas Self-Endowment Association of Longview, Texas, the Rocky Mountain Insurance and Savings Institution of Denver, and any of those gross, demoralizing swindles known in the East as "graveyard" insurance companies, which insure the sick, the dying, and the aged, and require no insurable interest of the beneficiary.

4. This Act does not provide for any supervision of these associations by the Insurance Department, as is required by the laws of other States. Neither the Insurance Commissioner nor any other State official is empowered to make any examination of the affairs of these associations. Nor are the managers required to make annual statements of the receipts and expenditures of moneys entrusted to them, nor of the claims and percentages of claims paid, resisted, compromised and unpaid. All this knowledge the public, especially the members, are entitled to, but must do without if the State does not exact it as it does from the regular mutual and stock life insurance companies.

5. This Act is supererogatory so far as reputable associations are concerned. Under the general law men may band together for mutual relief, and assess themselves for the benefit of the sick or the disabled, or the families of deceased members; and under the provisions of an Act relating to Mutual, Beneficial and Relief Associations (see Civil Code, page 481, Hart), such associations may incorporate and do an assessment insurance business, but lest the officers abuse their trust, the membership is wisely limited to 1,000, and assessments must not exceed three dollars for each member upon the death of a fellow member.

While substitute for H. B. 35 *purports* to be in the interest of the societies, it in *reality* is not, but is intended to open the State to fraudulent speculative and irresponsible concerns, that will thrive upon the credulity of our citizens. Ample provision already exists under our general incorporation laws, for the formation and maintenance of fraternal societies like the Masons, Odd Fellows, Ancient Order of Workmen, Knights of Pythias, etc., and no further legislation is required in this d

I would further invite your attention to a few facts bearing upon the proposed law, as follows:

1. There is a radical difference, in their nature, purposes, and methods, between fraternal and non-fraternal co-operative insurance associations. The former are organized for benevolent purposes, and the regulations of the societies provide for ample security of the funds and for regular inspection of the books.

The non-fraternal associations, though not *ostensibly* organized for profit, are in reality speculative concerns of the worst character. They are as a rule organized by some irresponsible adventurer and the gain to the individual accrues from *entrance fees* and *annual dues* and the misappropriation of mortality assessments. Besides, as under our law (Sec. 2764 Civil Code), an assignment of a life policy is held to be good and no proof of interest beyond the assignment is required, if this bill becomes a law by your signature, policies upon the lives of the sick and feeble will be hawked about the State and hundreds of our citizens will be directly interested in seeing other hundreds of our citizens die.

There are no safeguards for the money passing through the hands of the officers, nor to prevent the levying of assessments on fictitious deaths, as was done in the case of the Safety Fund Association of San Francisco, recently. On this subject I submit the remarks of Insurance Commissioner Tarbox in his recent address to the Massachusetts Legislature: [We omit this extract, as it was printed in the February REVIEW.—ED.]

2. The record made by the non-fraternal co-operative associations in Ohio, Missouri, Pennsylvania, New York and other Eastern States was so bad that

stringent laws have been framed to regulate the operation of the better class of such enterprises and to weed out the disreputable. In Ohio in 1882, under certificates maturing that year, insurance to the amount of $3,309,100 was promised, and only 17 per cent. of this amount was paid. The average amount supposed to be insured was $2,679, and the average yield was $459.59 per policy—about one-sixth of the face of the certificate! Over 11 per cent. of the claims were resisted for the most untenable reasons. In Pennsylvania, where "graveyard" insurance throve so disgracefully, the record was equally bad.

I submit for your consideration summaries of the laws of New York, Ohio and Missouri, as follows, and urge that until a similar law isenacted in this State the non-fraternal insurance societies should not be allowed to transact business.

SUMMARY OF NEW YORK LAW.

SEC. 1. Any number of persons not less than nine, may form an association.

2. They must file a declaration of their intention, mentioning the proposed name of the society, its head office, objects, mode of doing business, etc.

3. A declaration must also be furnished that at least fifty eligible persons have applied in writing for membership. The Attorney-General shall then report on the declaration mentioned in Sec. 2, and if satisfactory, the Superintendent of Insurance will issue a license.

4. Power to make by-laws.

5. Defines what constitutes ass ssment life assurance. Associations engaged in it are subject only to this Act.

6. Defines assessment accident insurance.

7 and 8. Associations must give full statements of their business every year. Questions to be answered. No deposit required. Any society neglecting to give reports or to pay fees required, may be enjoined from doing business.

9. Attorney to receive process must be appointed.

10. The Superintendent must renew licenses only on being satisfied that the society is in good standing.

If any State imposes restrictions on New York co-operatives, all the same restrictions are *ipso facto* made to apply to societies from that State doing business in New York.

11. Charters continue unless revoked by law.

12. Existing societies may be re-incorporated under this Act.

13. Books, etc., of associations are subject to inspection of insurance Department. If Superintendent is not satisfied with the condition of the society, he shall apply for an order of Court restraining it from doing business.

14. Societies must answer any question put by the Superintendent regarding its business.

15. The following fees must be paid by societies: For filing declaration, $10; for filing annual statement, $1 for each one hundred members, or fraction thereof, not to exceed $25: for each certificate of authority, $5; also necessary expenses while examining books.

16. Societies must hold an annual meeting and allow their members to examine their books at all reasonable times.

17. Each notice of assessment must truly state the cause and purpose of such assessment.

18. Members may change the beneficiary under a certificate at any time, without requiring consent of previous beneficiary.

19. Money due to a bene ciary under a certificate shall be be exempt from attachment.

20. Any officer or agent who refuses to furnish returns, or furnishes false returns, or who acts for an unlicensed society, shall be subject to a fine of not less than $100, nor more than $500, or imprisonment for not less than ten days nor more than a year, or both.

21. No society which does not pay over $250 in all of sick benefits to any one person in any one year, or $350 in all, of benefits on the death of a member, shall be be compelled to make a report Nor shall any society be prevented from setting aside a reserve fund. Nothing in the Act shall be construed as affecting the lodges of Odd Fellows or Masons.

22. Punishment of a dishonest agent or medical examiner.

SUMMARY OF OHIO LAW.

SEC. 3630 *a* and *b*. Associations must, in January each year, furnish the Superintendent of Insurance with a full statement of its business, according to prescribed forms.

c. Failure to do so, or failure on the part of the treasurer to furnish a satisfactory bond, forfeits the right to do business.

d. If the Superintendent finds that an association is not legally and honestly conducted, or is exceeding its franchise, he to take proceedings against it.

e. Definition of the nature of assessment assurance.

f. Asssciation may be sued.

g. No certificate to be issued by any association to any person over 65 or under 15 years of age, or to any one who has not passed a satisfactory medical examination. Any officer who violates this or any other clause of the Act, shall be fined not less than $10(, nor more than $1,000, or imprisonment not more than six months, or both.

h. Expenses must be met by fixed annual contributions, and in no case can any part of a mortuary assessment be used for expenses.

3631. Agents and officers must give bonds.

This Act shall not apply to any association of religious or secret societies, or to any class of mechanics, express, telegraph, or railroad employees, formed for the mutual benefit of the members thereof, and their families exclusively.

SUMMARY OF MISSOURI LAW.

SEC. 2. No benevolent or charitable association or society now incorporated, or that may hereafter be incorporated under the laws of any other State or Territory, whose main object is the issuing of life insurance certificates and collections of dues and assessments from its members, shall do business in this State unless subject to the general insurance laws of this State.

3. When Mr. John C. Maynard was Insurance Commissioner of this State, he framed a bill providing for the supervision of co-operative insurance associations, and requiring annual statements. The said bill was submitted to you and is now on file in your office.

4. The legal rights of the fraternal associations to transact an assessment life insurance business has never been questioned by the regular life insurance companies. all reports to the contrary notwithstanding. The fraternal orders have been held by the courts not to be insurance companies within the meaning of the statute.

Respectfully yours,

J. G. EDWARDS,

Publisher COAST REVIEW, San Francisco.

Magnificent Results of Life Insurance—The Experience of Forty-four American Companies.

[From the Boston *Standard*.]

NAME OF COMPANY.	Date of Organization.	Gross Premiums received since Organization.	Gross amount paid Policyholders since Organization.	Gross Assets Dec. 31, 1884.	Payments to Policyholders since Organization, plus present assets.	Excess of payments to Policyholders, plus present assets over premiums received.
Ætna, Hartford	1850	$74,029,307	$54,915,145	$29,771,230	$84,686,375	$10,657,068
American, Philadelphia	1850	15,529,840	11,110,156	2,549,394	13,659,550	—1,870,290
Berkshire, Pittsfield, Mass	1851	9,634,167	6,659,137	3,758,218	10,417,355	783,188
Brooklyn, New York	1864	7,917,748	5,597,345	1,574,367	7,171,712	—746,036
Charter Oak, Hartford	1850	†33,874,291	†30,732,162	†4,585,530	†35,317,692	†1,443,401
Connecticut General, Hartford	1865	3,692,542	1,966,158	1,489,381	3,455,539	—237,003
Connecticut Mutual, Hartford	1846	137,558,478	112,253,251	52,217,750	164,471,001	26,912,523
Continental, Hartford	1862	9,234,621	6,384,940	2,417,528	8,802,468	—432,153
Covenant Mutual, St. Louis	1853	1,923,843	1,397,947	389,874	1,787,821	—136,022
Equitable, New York	1859	136,161,389	81,072,487	58,161,926	139,234,413	3,037,024
Equitable, Des Moines, Iowa	1867	896,463	422,914	516,704	939,618	43,155
German Mutual, St. Louis	1857	†638,812	†453,277	†402,387	†855,664	†216,852
Germania, New York	1860	25,969,940	16,154,657	10,857,819	27,012,476	1,042,536
Hartford Life and Annuity, Hartford	1866	3,074,052	1,699,477	1,259,666	2,959,143	—114,909
Home, New York	1860	14,146,144	9,515,925	5,461,144	14,977,069	830,925
Homœopathic, New York	1868	2,571,989	1,551,990	686,609	2,238,599	—333,390
John Hancock, Boston	1862	9,739,480	6,511,674	2,629,864	9,141,538	—597,942
Manhattan, New York	1850	29,066,043	22,486,765	11,046,053	33,532,818	4,466,775
Maryland, Baltimore	1865	2,111,412	1,061,444	1,226,391	2,287,835	176,423
Massachusetts Mutual, Springfield	1851	20,579,474	13,798,911	7,553,350	21,352,261	772,787
Metropolitan, New York	1867	†12,344,649	†6,723,153	†2,202,341	†8,925,494	†—3,419,155
Michigan Mutual, Detroit	1867	3,925,833	2,036,752	1,380,876	3,417,628	—508,205
Mutual, New York	1842	270,931,583	216,094,212	103,876,179	319,970,391	48,978,808
Mutual, Baltimore	1870	510,252	268,769	126,886	395,655	—114,577
Mutual Benefit, Newark	1845	102,684,477	83,672,057	38,607,396	122,279,453	19,594,976
National, Montpelier, Vermont	1850	5,660,853	3,345,195	3,185,820	6,531,015	870,162
National, U. S. of A	1863	9,024,905	5,476,842	2,837,675	8,314,517	—710,388
New England Mutual, Boston	1835	47,236,648	37,094,911	17,095,567	54,190,478	6,953,830
New York, New York	1845	131,842,588	81,113,229	59,283,754	140,396,983	8,554,395
Northwestern Mutual, Milwaukee	1857	48,810,242	34,135,043	22,528,971	56,664,014	7,853,772
Pacific Mutual, San Francisco	1868	5,016,443	2,959,332	1,263,014	4,222,946	—793,497
Penn Mutual, Philadelphia	1847	21,901,544	14,152,157	9,663,384	23,815,541	1,913,997
Phœnix Mutual, Hartford	1851	33,370,068	24,054,257	10,537,870	34,592,127	1,221,759
Provident Life and Trust, Philadelphia	1865	13,571,272	5,853,228	9,127,324	14,985,652	1,414,380
Provident Savings, New York	1875	646,885	267,282	184,063	451,345	—195,540
Prudential Newark	1876	3,406,539	912,539	777,660	1,690,199	—1,716,340
Southern Mutual, Louisville	1866	3,210,528	2,044,789	1,159,679	3,204,468	—6,060
State Mutual, Worcester	1845	6,206,480	4,276,727	3,543,301	7,826,028	1,619,548
Travelers', Hartford	1866	8,175,295	3,010,757	7,826,457	10,837,184	2,661,889
Union Central, Cincinnati	1867	6,343,074	2,984,786	2,317,856	5,302,642	—1,040,432
Union Mutual, Portland, Maine	1848	27,309,196	20,833,479	6,322,002	27,155,481	—153,715
United States, New York	1850	17,056,637	11,712,537	5,209,687	16,922,224	—134,413
Vermont, Burlington	1869	402,511	137,484	274,945	412,429	9,918
Washington, New York	1860	19,291,397	12,208,136	7,304,910	19,513,046	221,249
†Dec. 31, 1883.		$1,347,300,214	$961,119,085	$515,198,802	$1,476,317,887	$139,027,673

The Mutual Life Insurance Company.

It is always a pleasure to examine the annual statement of this conservative, colossal life insurance company. One is never disappointed in the results of the year's transactions, and there is something fascinating in dealing with figures representing stupendous sums of money. The Mutual Life Insurance Company, of New York, as all know, is by far the largest institution of the kind in the world. It presents, in its age, in its uniformly prosperous career, in its massive integrity, in its immense resources, and in the honesty and ability of its management, the most unanswerable argument for legitimate life insurance in general and the American variety in particular. There is a sort of knock-down argument in these figures—assets, $103,876,178.51; net surplus, $12,000,000; income from policyholders in 1884, $13,850,258; paid policyholders in 1884, $13,923,062, or more than was received from them. In the last five years the company's payments to policyholders have been $1,906,071 more than the premium income! Confronted with these figures, the co-operative liars are dumb.

The assets of the Mutual Life made a gain of nearly $3,000,000 last year. The income from interest and rents was $5,245,060, or over 5 per cent. The policies in force on January 1st were 114,804, insuring $351,789,285. The net surplus on a 4 per cent. basis, is nearly $5,000,000. Nearly $8,000,000 was paid in death claims and matured endowments during the year.

Recently the company issued a new form of policy, known as the "five year distribution policy," which provides for the declaration of dividends quinquennially, and, without extra charge, allows the policyholder freedom of residence and travel, except in countries where epidemics are known to be raging. Policies of this character may be issued on female lives to the amount of $10,000, and on male lives the limit is $50,000. Premiums may be paid monthly, quarterly or semi-annually, and a paid-up policy is guaranteed at any time after the third annual premium. The monthly payments should popularize the new plan with the industrial classes. A cash surrender value for the whole policy, or for the dividend accumulations alone, will be given at the end of each five-year period, if desired.

On the Pacific Coast, where the Mutual Life is represented by A. B. Forbes as general agent, the business of the company accords with its claims, and is of course the largest of the several companies doing business in this field.

The Joke is on Heber.

Heber J. Grant, of Salt Lake City, is a popular young Mormon apostle, a shrewd business man and an active insurance agent. In the discharge of his apostolic duties he discreetly combines, with commendable thrift, business and religion. His success must be so great as to excite the malice of some of his rivals, or the enemies of his church, for we find in a Salt Lake paper a long article burlesquing his enterprising methods. It is a "rich and racy" travesty, however, and must have been heartily enjoyed by Mr. Grant and his friends. Here are a few specimens: "Brethren, as our holy religion brings peace to the soul of the believer—for he knows his future is secure—so a fire insurance in the Phœnix brings tranquility to a man." "Our people are suffering many persecutions; they are footsore and weary and filled with painful apprehensions of coming calamities; in short, they are like men who live in a wooden house which is uninsured." Reference is made to the wagon for which Mr. Grant is agent, as follows: "The Scriptures tell us, my brethren, that Elijah went up in a chariot of fire. Had he possessed a genuine Mitchell wagon he would never have been content with a two-wheel cart; and had his wagon been provided with the Mitchell patent steel skein and axle, all friction would have been removed and his chariot would never have caught fire." The story of Pharaoh's bad luck with his chariots in the Red Sea is made to furnish a similar moral, and then the "sermon" closes as follows: "Finally, my brethren, may you be all at last insured in a safe company, and may your ultimate

passage to your final reward be as comfortable and in rigs that run as light and ride as easy as a genuine Mitchell wagon, for which I am the agent. Amen. The choir will sing, 'Roll on, Sweet Chariot.'" The joke is on Heber.

The Lion Fire Insurance Company, of London.

Under the management of Mr. Thomas Bell, this enterprising English fire insurance company has got upon the smooth highway of prosperity A gain of $150,000 in the premium income and a still further reduction of the loss ratio are most satisfactory endorsements of the energetic and conservative methods of the present management. The company is no longer embarrassed by its French connection, all outstanding risks in that country having been disposed of. The expenses, which were originally 57 per cent., have been reduced to 32.4 per cent. The ratio of losses to premiums fell to 64 per cent., or 4 per cent. less than for 1883, and considerably less than the initiatory experience of the company.

At the recent annual meeting of the stockholders in London, the chairman touched upon the American business of the company, and complimented the Hartford and San Francisco managers for their faithful and able services. The company's operations in this country last year were more favorable than the American experience of most of the large English offices. In a list of twenty of these offices the Lion stood second as regarded minimum loss ratio, whereas for 1883 it stood nineteenth. While the average American loss ratio of the twenty English offices was 67 per cent., that of the Lion was only a fraction over 60 per cent. Facts like these called forth the chairman's complimentary remarks.

The total assets of the Lion aggregate $1,142,560. The premium receipts for last year were $873,575. The figures for the United States branch are as follows: assets, $792,501; net surplus, $561,992; amount at risk, $28,586,693; premium income, $362,454; losses $218,569.

The Pacific Coast branch, of which Messrs. Dornin and Sexton are Manager and Assistant Manager respectively, did a large and profitable business as usual in 1884. Of the United States business of the Lion, the Pacific department contributes 34 per cent., with a loss ratio of only 47 per cent., a statement showing that the "praise from Sir Hubert" was well deserved.

The New Assessment Insurance Law of Kansas.

Within the past few years Kansas has been the favorite working ground for a host of assessment scalawags, many of whom, by the enactment of strict insurance laws, were forced to leave States farther East. They have cultivated Kansas altogether too assiduously, thereby creating a strong public sentiment against them, which has crystallized in the enactment of an excellent law regulating the co-operatives. The provisions of the new law are calculated to protect the public, and exact detailed statements which are very useful and absolutely indispensable to prevent the misappropriation of funds. These statements will also enable the public to get a fair idea of the cost of the indemnity furnished, but it would have been better if the law required a statement of receipts from dues and fees. The effect of the law will be to drive out irresponsible men engaged in the business, and we may expect many of them to flock to California, where it is believed the laws interpose no obstacles to their dishonest designs.

The new law of Kansas is substantially as follows: The officers must give $50,000 bonds, with three or more sureties guaranteeing the faithful accounting for and proper disbursement of all funds of the association. It is unlawful to insure the health of individuals, or to contract the payment to any member or his beneficiaries of more than $3,000, unless the membership is sufficiently large to pay the face value of the certificate with one assessment. The insured must be in sound health and examined by a regular practicing physician, and must not be over 60 years old. The associations are prohibited from contracting the payment of endowments, annuities, or anything to

the member himself, except for injury or disablement; from issuing joint certificates on the life of more than one person under one certificate, unless each person insured under such certificate is named and assessed individually for his full *pro rata;* and from issuing a certificate agreeing to pay a fixed sum of money, unless the payment of such fixed sum is conditional upon realizing the same from an assessment. Reserve funds must be deposited with the State Treasurer quarterly for safe keeping, and shall not be returned except upon the written order of the President or Vice-President and Secretary of the association, countersigned by the Superintendent of Insurance. Such orders must be drawn only for the payment of claims under the certificates of the association, and must state the names of assured and beneficiary. Payment of assessments for three years renders a certificate incontestable except for failure to pay all legitimate assessments and dues. Claims must be paid within thirty days after receipt of funds from an assessment. Annual statements must be made under oath, exhibiting the following facts: Number of certificates issued, amount of insurance promised, death losses incurred, death losses paid, number of claims resisted, accident losses incurred, accident losses paid, amount of funds received from assessments, amount paid holders of certificates, claims not due but for which assessments have been made, claims due and unpaid, certificates in force at beginning and close of year, amount of reserve collected during the year and amount held at the end of year, salaries paid officers and office employés, salaries paid agents, and such other information as the Superintendent of Insurance may require.

The new law does not apply to any religious or secret societies under the supervision of a grand or supreme lodge, nor to any class of mechanics, express, telegraph or railroad employès formed for the mutual benefit of the members and their families. California needs such a law, and the people will demand it as soon as they learn the same dear lesson taught the Kansans by co-operative frauds.

The New York Life Insurance Company.

As everybody expected, this cyclopean, world-famed institution makes the usual admirable showing in its fortieth annual exhibit. Its popularity is indicated by an unfailing progress in every department, which is the well-earned reward of an able and zealous management and an indefatigable corps of loyal workers.

The New York Life Insurance Company is a typical American institution—enterprising, liberal, progressive, yet conservative. Its business methods, its great resources, its rock-ribbed stability, its fair dealings, are adding lustre to the reputation of American life insurance, and winning for the company imperishable renown in every nook and corner of the wide world. With branches in all the principal countries of the earth, all lands pay willing tribute to the company, and in return its Briarean hands shower blessings upon weary men and mourning families in every quarter of the globe.

The annual premium income of the New York Life is now about $12,000,000—a million dollars a month! The payments to policyholders last year were nearly $7,000,000. The cash assets are now $59,283,753, a gain of about four million dollars. The net surplus, New York standard, is $10,000,000. The amount at risk is $229,382,586, a gain of thirty millions. The interest earnings last year were a fraction less than $3,000,000, or more than the death claims. The rate of mortality last year was less than the average of all companies. The death claims were less than for 1883, despite the growth of business. During the year, 17,463 policies were issued, insuring $61,484,550.

On the Pacific Coast the New York Life, under the management of Col. Hawes, does a very large business.

It is reported that the stockholders of the defunct Commercial Fire Insurance Company of New York will receive less than 40 per cent. of the capital invested. Eighty shares were recently sold at 20 cents on the dollar.

Byington's Record.

J. S. Byington, of this city, has a weakness for "cheap insurance"—that is to say, he advocates co-operative insurance periodically, when he finds such advocacy profitable. Years ago he was the Texas or Southwest representative of that notorious co-operative, the Protection Life of Chicago, which had a great reputation and a greater downfall. After its failure, Byington came to California as agent of the John Hancock Life Insurance Co. of Massachusetts.

Seeking greater opportunities, and unmindful of the discredit, he at once began negotiations for the agency of the co-operative branch of the Hartford Life and Annuity Insurance Co. Securing the appointment, he made some headway, and finally insured the life of one Hunt, of Oakland, for $10,000. Hunt died soon after, leaving, as was represented to him, and as he supposed, a $10,000 policy. The Hartford Life and Annuity Insurance Co. informed his heirs that the assessments on his death yielded only $600, which was paid to them after a delay of nine months. This was only six per cent. of the amount promised and expected.

Byington then turned his attention to legitimate life insurance with only moderate success, and finally went to work for the Mutual Reserve Fund Life Association. Losing faith in the latter humbug, he took the general agency of the Mutual Benefit Life Association of America, a New York wildcat assessment association. Macdonald & Hatch, who were agents of the Union Central Life Insurance Company, a solid, thriving Cincinnati corporation, have associated themselves with Byington. The Mutual Benefit Life Association of America is transacting business in this State without the authority of law, for the new law is not yet in force. Whether that law exempts such speculative enterprises from the insurance laws of California the courts will be called upon to decide.

While a salaried employé of an old-line life insurance company in this city, Byington was doing "underground" work for a o-operative. This circumstance alone "sizes" his character most accurately. It is a very suggestive fact that the assessment companies always select agents who represent them morally as well as professionally.

Portland Correspondence.

PORTLAND, Or., March 25, 1885.

EDITOR COAST REVIEW—Since last writing not a single fire alarm has been recorded for Portland. While not being vain enough to ascribe this solely to our underwriting abilities, we pride ourselves that the latter have played no small part in bringing about this result. Times are exceedingly dull, money is very scarce, and there are many people who would like to sell out to the insurance companies. This makes us more than ever careful. We weigh well the grave responsibility.

FIRES.

In the Oriental Hotel fire, at Seattle, a man was smothered to death, and several others more or less severely injured. Although the fire had considerable headway before being discovered, the firemen are reported to have made up for their tardiness by doing some excellent work.

Ellensburg, W. T., experienced quite a severe blaze, in which numerous buildings and stocks were totally destroyed. Some $20,000 went up in smoke, but the insurance was quite light.

Astoria had a good sized fire. The Weston Hotel and Bain's large sash and door factory were completely demolished. The latter was one of the oldest and most extensive frame buildings in the city. The firemen, under Chief Chartres did well. Losses sustained will approximate $20,000; insurance carried, light, not exceeding $5,500.

FINED FIFTY DOLLARS.

That terrible damage case against L. B. Edwards, in which Attorney Bernstein sued him for $5,000 damages, because Edwards simply taught him a valuable lesson in minding his own business, finally came off. Times being apparently hard with the plaintiff, and the jury being in a good humor, they concluded to take off 99% discount for cah, sand so made Bernstein happy by allowing him $50.

JOINED THE COMPACT.

The Oregon Fire and Marine is now a full fledged compact bird, having sensibly concluded to enter the Portland part of the same this month.

The Washington of Tacoma, W. T., has concluded to mend its silly ways, and has also joined the majority—the compact, I mean.

GUARDIAN'S NEW AGENTS.

Special Snow of the Guardian is now here. Sibson, Church & Co., who have been agents for this company for over three years past, have resigned the agency, and Eugene D. White, who has the Oakland Home, has been appointed to succeed them. Mr. White is an old resident here, and having many friends, will no doubt render satisfaction.

ITEMS.

The Portland Fire and Marine, as you stated in your last issue, has incorporated. This State is liberal in that direction, and anybody that pleases can incorporate anything they wish. It costs nothing, but it needs money to carry on the insurance business, and as that article is very scarce, I do not think the Portland will open out for some time to come.

Mr. L'Hote, of the Western, came up to look after the interests of his company and to become acquainted with his new agents.

Harry Boyd of the Hamburg-Bremen is reported to have taken unto himself a business partner.

Maj. E. V. Preston, of the Travelers, paid us a short visit. He was so pleased with Mr. Calkins' management here that he increased his facilities for doing business.

NAOLS.

The Westchester Fire Insurance Company.

This strong and prosperous New York company has re-established a general agency on this Coast, and appointed Jos. C. Jennings to represent it. The Westchester formerly operated in this field, but withdrew about two years ago. In appointing Mr. Jennings its general agent the company steps into a profitable niche vacated by the Manufacturers. During the eight years the latter company did business in this State its net premium income, in the aggregate, was $229,588, while the loss ratio averaged only 37 per cent. of the premium receipts. This is a very creditable showing for Mr. Jennings. He also represents the New Hampshire Fire Insurance Company, and the experience of that corporation in this field under Mr. Jennings' management reflects equal credit upon his underwriting ability.

The Westchester is an old established company, dating back to 1837. Its gross assets are $1,013,024, of which $300,000 is paid-up capital. It has a handsome net surplus of $204,573. Gains were made last year in assets, surplus and premium income. Ths net results of the year's transactions, after paying all losses, expenses and dividends, was a balance of $42,129. The figures of the year are: Premiums, $680,079; losses, $386,139; gross income, $717,791; gross expenditures, $675,663. A full statement is printed elsewhere.

It is the design of the company to transact a general agency business in this territory, and agents will be appointed in the interior as rapidly as possible.

A Bold Conspiracy to Defraud Two Life Insurance Companies of $15,000—The Villains Insure a Consumptive, a Bogus Applicant Passing the Examination—Michael Crotty versus The New York Life Insurance Company—The Jury Return a Verdict for the Defendant without Discussion.

There was recently brought to light in this city, incidentally, evidence of the existence of a bold conspiracy to defraud the Union Mutual Life Insurance Company of $10,000, and the New York Life Insurance Company of $5,000, represented by policies on the life of Michael J. O'Brien of Lockford, Cal. These policies were payable to one Michael Crotty of San Francisco, an alleged creditor of the insured. Investigation speedily produced overwhelming evidence of the grossest fraud. Michael J. O'Brien,

the insured, had never made application for insurance in either company, and was in the last stages of consumption on the 22d of January, 1883, when the applications were signed and the examination was made by the physicians.

The case is one of such importance that it will be well to give all the particulars. It will rank among the notorious conspiracies to defraud life insurance companies. The attempt was a clumsy one, and the circumstances, taken altogether, were sufficient, one would suppose, to preclude any reasonable hope of success. Yet it was by the merest accident that the swindle was unearthed; and such was the confidence of the plaintiff in the hard swearing powers of himself and confederates, and in the prejudice of juries against life insurance companies, that he began action for the recovery of the insurance money, despite a mountain of adverse circumstantial evidence.

For several years previous to his death, Michael J. O'Brien lived near Lockford, in San Joaquin county, this State. He was the brother-in-law of Michael Crotty, the plaintiff. O'Brien was a bricklayer by trade, and did "odd jobs" in the neighborhood. He lived with a Mrs. O'Neil, the widow of a cousin, and assisted her in running her ranch. Upon this circumstance Crotty based his claims as creditor of Michael J. O'Brien, swearing that he lent the latter six or seven thousand dollars, delivered in small sums at various times. Crotty claimed that this money was used in working the ranch, and that he lent it without security. His story was that he persuaded O'Brien to insure for his benefit as creditor, and thus secure him for the money advanced. He took notes for the loans made, but returned them to O'Brien when policies for $15,000 were turned over to him, and the premiums on which he paid. But this innocent Crotty was angry with Michael because he tore up the notes, thus destroying the "evidence of the indebtedness." Luckily, this careful capitalist had not only taken notes from his debtor, but jotted down the loans in his little book, "sometimes a day or two before, sometimes a day or two after." He was thus prepared to "refresh his memory" on the witness stand. This entire story of indebtedness was "a lie made out of whole cloth." Michael J. O'Brien was never Crotty's debtor, and if Crotty ever had any money to lend he never reported it to the assessor nor deposited it in his own name.

The principal witnesses are the plaintiff himself, Thomas W. O'Brien, a brother of Michael J., and Thomas M. O'Brien, the son of Thomas W. From these sources, all relatives, and living in the same house, came most of the "evidence" to sustain the monstrous and improbable claim.

On the 22d of January, 1883, these men and a man purporting to be Michael O'Brien, in company with L. S. Hatch, a solicitor, visited the offices of the examining physicians. The false Michael, being in superb health, readily passed the required examination. On September 15, 1883, less than eight months thereafter, Michael J. O'Brien died of consumption in Boston. The signature to both applications omitted the "J," which the genuine Michael never did, as was shown in the course of the trial. It requires no expert testimony to satisfy anyone that the signatures to the applications were clumsy forgeries, as the reader may see by comparing the genuine with the forged signatures.

THE TRIAL.

On Thursday, Feb. 12, the trial of this remarkable case began in the United States Circuit Court in this city, George M. Sabin, Judge, before a jury. The testimony was very voluminous. The defense, though a clear case, was conducted at a considerable disadvantage. The plaintiff and his two confederates swore positively that Michael J. O'Brien was the party examined, and that he signed the applications in their presence. Hatch, the solicitor who procured the insurance, corroborated their testimony as far as he dared. Opposed to this positive testimony the defense could bring only circumstantial evidence, in the main, and they were seriously handicapped by the law excluding the information derived by physicians from their patients. (Sec. 1881 Code of Civil Procedure.) Several physicians were prepared to testify that Michael J.

O'Brien had an advanced case of phthisis before the date it was alleged he was insured, but plaintiff's counsel objected to the introduction of such testimony, and the court was obliged to exclude it. The physicians were allowed to testify as laymen only, outside of examinations, prescriptions, or questions.

THE TESTIMONY.

For the purpose of comparison we will abridge the testimony, and briefly show what a brazen, wicked, foolhardy conspiracy these depraved wretches apparently entered into. Plaintiff claimed that Michael J. O'Brien was in sound health on Jan. 22, 1883; that he was in San Francisco and signed two applications and passed an examination on Jan. 22, 1883; and that he owed plaintiff several thousand dollars. The defense presented the following testimony proving that plaintiff and his confederates were perjurers:

MICHAEL J. O'BRIEN'S HEALTH.

Margaret O'Brien, of Boston, his sister-in-law, testified that in April, 1883, he reached Boston in the last stages of consumption, and never rallied. Catherine O'Brien, sister-in-law of deceased, and Arthur L. Levinsky, a notary public in San Joaquin county, testified that he was very sick in December, 1882, and January, 1883, and on January 22d was plainly a man who could not live long. Benjamin Stacy, of Lockford, said he was a consumptive and almost a shadow in November, 1882. John McCabe, of Lockford, said deceased weighed about 110 pounds in January, 1883—was pale and thin, and would choke in breathing. He was bed-fast in January. Jas. Loutitt, of Stockton, J. W. Doherty and C. A. Hay of Lodi, testified to the same effect.

Dr. E. M. Foote, of Lockford, was allowed to say that he saw Michael J. O'Brien professionally several times during January, 1883, and that he looked very sick.

Dr. Plummer of San Francisco, was prepared to testify that deceased had excessive tubercular infiltration of the right lung on the 4th of January, 1883, and was coughing and expectorating constantly. Told him he could do nothing except give palliative medicines. Made a memorandum of the case in his books, as was his custom. He was suffered to say merely that deceased was critically ill on that day, and not a fit subject for life insurance on January 22.

Dr. Sidney Carney saw Michael J. O'Brien on his deathbed, in September, 1883, and saw that his consumption was of about a year's duration.

In August, 1882, when the deceased was in good health, he passed an examination and took out a policy in the Pacific Mutual Life Insurance Co. Finding it inconvenient to pay the premiums, he wrote the following letter, in March, 1883, to Mr. Fox, of the Pacific Mutual:

LOCKFORD, March, 1883.

MR. FOX: Dear Sir—I am in receipt of your note. The reason that I did not take up the insurance was that I did not nor have not got the money. Another is that *I have been sick with the consumption since last Oct.* I would like you to send your physician and satisfy yourself. Yours,

M. J. O'BRIEN.

To the examining physicians the false Michael said he was in good health, had never been ill in his life, and had never consulted a physician. He weighed 150 pounds and was 5 feet 8½ inches high. Numerous witnesses testified that the real Michael weighed from 110 to 120 pounds, and was about 5 feet 3 inches or less in height. Dr. Swan, the examining physician for the Union Mutual, said the Michael he examined had sound lungs and "took more after the Sullivan branch of the family," measuring 33 inches around the chest, and 38 inches after expansion—"an extraordinary expansion." Dr. L. L. Dorr, who also examined the counterfeit Michael, corroborated Dr. Swan's testimony.

MICHAEL J. O'BRIEN'S WHEREABOUTS ON JANUARY 22, 1883.

The express agent at Lockford delivered a package (medicine) to the deceased on Jan. 22, 1883. Catherine O'Brien testified that he went to Lockford after his medicine that day, in response to a postal notice received the day before. Lockford being 104 miles from San Francisco, he could not have been in both places on that day and returned home, eight miles from the station. It was a physical impossibility for him to do so. John McCabe, of Lockford, also testi-

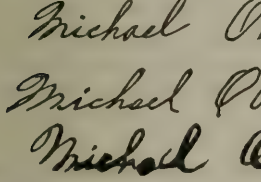
fied that Michael was not in San Francisco during January, 1883, and was positive that deceased was not there on the 22d of that month.

THE SIGNATURES.

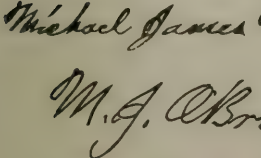
All the experts testified that the signature to the applications were not written by Michael J. O'Brien. His brother Jeremiah and wife Margaret of Boston, and his sister-in-law Catherine, swore positively that they were not his signatures, and they further testified that Michael never omitted the middle initial in signing his name. Others testi fied to the same effect.

The three forged signatures to the application and some fifteen genuine signatures of the deceased were photographed, and greatly enlarged to facilitate comparison and the testimony of the experts. With these photographs before him, no one, however inexperienced in handwriting, would say that Michael J. O'Brien signed the application. To gratify the curiosity of the reader we have engraved five of the signatures offered in evidence, but in reducing the size, the engraver has modified the characteristics somewhat. The Greek "e" in the second "O'Brien" is not brought out as clearly as in the original.

THE FORGED SIGNATURES.



THE GENUINE SIGNATURES.



The other signatures offered in evidence were almost exact copies of the "M. J. O'Brien." The reader will observe the striking difference between the "O B" of the genuine and the forged. In all the genuine signatures the "B" has the peculiar character given above. The "O" and "B" are always united, and the apostrophe is never omitted. In the forged signatures the "O" and "B" are radically different from the genuine, and are not united, and the apostrophe is omitted in each case. There is just enough resemblance to indicate that the pretended Michael had done some practicing. If he had dared to place the copy before him he might have done better, or at least would not have spelled O'Brien with two "e's" as in the second signature, nor with two "r's" as he apparently did in the first.

AN EXPERT'S TESTIMONY.

Henry C. Hyde, an expert, testified that the signatures to the application were forgeries. He had not the "shadow of a doubt about it." Among other things he said, in substance: The O'B in the signatures admitted to be genuine are all made with one movement of the pen, and "rien" with another. It is not so with the simulated ones. The loop in the M of the latter is the only loop that would lead me to suspect an imitation. The M's of the genuine are almost invariably pointed at the top, and rarely show loops at the bottom. They are, as a rule, nearly on a level at the top, and the finishing stroke is usually below the level of the other letters. The angle of the letter M is a very important feature in the two handwritings. In the genuine the angles of all the members of the M are so nearly alike as not to call for any particular notice. The eye does not perceive any differenc between them. In the simulated there is a very different appearance. The angles of the first, and second and third strokes are all different. In the simulated the difference between the angles of the M and B is some 22 degrees. There is no such difference in the genuine. The forgeries present absolutely different characteristics from the genuine. I should not have suspected any imitation. The O's and B's are radically different.

The testimony of Mr. Hyde was corroborated by Joseph H. Wythe and Geo. C. Hickox.

DISCREPANCIES IN APPLICATIONS.

In applying for insurance of the Pacific Mutual Life, in August, 1882, the real Michael stated that his father died at the age of 40, and his mother at 38. The pretended Michael, in applying to the Union Mutual and New York Life, stated that his father's age at death was 60, and his mother's 53; and then he was prompted by the O'Briens and Crotty. The real Michael said he was "about" five feet five inches high, exaggerating it a trifle, as small men are apt to do. The other Michael was five feet eight and a half inches high. The former signed himself Michael J., the latter omitted the "J." in both applications, and spelled the surname two ways, and both were incorrect.

CROTTY WAS NOT A CREDITOR OF O'BRIEN.

Jas. Loutitt, of Stockton, an attorney and business agent for Michael J. O'Brien, testified that Crotty and Michael had long been on unfriendly terms, and that Michael could not have owed the former any money. All the implements on the ranch were scarcely worth $500, and the deceased could not have used four or five thousand dollars. Catherine O'Brien, his sister-in-law, said he never owed Crotty any money, and never said anything about having had his life insured. She flatly contradicted Crotty on other points.

DEATH-BED DEPOSITION.

In the deposition made on his death bed, O'Brien swore that he did not owe Crotty, and that he had made no application for life insurance of either the New York Life Insurance Co. or the Union Mutual Life Insurance Co. The Court excluded this deposition.

TECHNICAL DEFENSE UNNECESSARY.

It will be seen from the foregoing summary of the testimony in this interesting suit, that no technical defense was necessary. It was a strong presumption that a coterie of ignorant rogues banded together to defraud two life insurance companies by passing one of the company as Michael J. O'Brien, whom they knew to be a dying man. Fortunately, the genuine Michael received notice from the company of premiums due, and promptly notified his agent, Mr. Loutitt, that there was a mistake or a base scheme to "harm him," as he had not applied for insurance. Fortunately, too, there was a family feud, which favored the production of important testimony convicting Crotty of perjury.

THE VERDICT,

The instructions of the Court to the jury were brief, pointed and unmistakable. The jury were absent only a few minutes, and returned with a verdict for the defendant company. They were unanimously of the opinion that Crotty and his principal witnesses were perjurers, and without wasting time in any needless discussion, cast one ballot, signed their verdict, and filed into court.

POSSIBLE DEVELOPMENTS.

Since the first inkling of the existence of fraud, the agents of the companies have been untiring in their efforts to get the bottom facts and protect the interests of their companies. It is not unlikely that their vigilance and industry in this case will be still further rewarded by more startling developments.

FORMER CONSPIRACIES ON THIS COAST.

This is the third plot to defraud life insurance companies in this State. The first case was that of Andrew Lee, who prepared his own medical examiner's certificate, and then forged the name of the examining physician at Vallejo. He thereby procured a policy for $5,000 in the Guardian Mutual Life Ins. Co. Lee had been a sufferer from heart disease for six years, and was consumptive. Four months after procuring his policy he died.

Another case was that of Ebenezer Hamilton, who was fraudulently insured in the Mutual Benefit Life Insurance Company for $10,000. Hamilton was an inveterate sot, living at Marysville, Cal. Christopher Cockrell, Theodore Summerland, and Dr. Samuel Cowles, of the same place, induced Hamilton to insure his life in their favor, and paid the premium. They knew he was a wholly unfit subject for life insurance, but by misrepresentation and a "crooked" medical certificate they succeeded in getting a policy, the application on its face being all right. An anonymous letter from Marysville caused a prompt investigation, and

the alternative being the penitentiary, the swindling trio surrendered the policy.

The third and most romantic attempt was the insurance of Mariano Rubio, a Mexican, in March, 1869. Rubio was insured in the Manhattan Life Ins. Co. for $15,000, for the benefit of Miguel Noe, an alleged creditor. Rubio disappeared. Several years thereafter proofs of death were filed, two Mexicans swearing they had buried the assured in Death Valley. Suspecting fraud, Mr. Landers, the agent of the Manhattan, employed detectives to investigate the matter, and diligently pursuing every clue, he was enabled to produce Rubio in court in this city a year thereafter.

Death of President Winston of the Mutual Life Insurance Co. of New York.

Frederick S. Winston, President of the Mutual Life Insurance Company of New York, died from a paralytic stroke at Fernandina, Fla., on the night of Friday, March 27th, in his seventy-ninth year. The death of Mr. Winston was entirely unexpected. Several weeks ago he left New York for a tour of the Southern States, and designed to visit Mexico. He was in excellent spirits and apparently in the best of health up to within a few hours of his death.

Mr. Winston was of Virginian parentage, and was born in Balston Spa, N. Y., in 1806. He was reared as a farmer boy, but at the age of fourteen went to New York city to seek his fortune. In a few years he became one of its representative merchants. He was identified with life insurance since 1846, first as director of the Mutual Life, and after 1853 as its President. When he took charge of its affairs the assets of the company were only $2,000,000, and under his management they increased to over $103,000,000.

When Mr. Greeley, the great journalist, died, he said that the only monument he desired was—"The Tribune: founded by Horace Greeley." Mr. Winston leaves an infinitely greater monument in the Mutual Life Insurance Company. His death is a severe loss to the company, although it is not to be doubted that the general policy of the management will remain the same, and that his successor will be chosen for the same financial abilities and sterling qualities of character, so far as it is possible to replace them.

During the Rebellion the management of the Mutual Life was beset with unexpected and most perplexing problems growing out of civil strife, and their happy solution was largely due to the patriotism, generous views and strict principles of Mr. Winston. Southern policies were treated as surrendered, not as forfeited policies, and value therefor allowed. Policies held by Northern soldiers, though forfeited under the war clause, were continued on the payment of a small advance of premium. The patriotism of the company in investing half of its assets in government bonds at a period when the administration most sorely needed money, and when prospects were darkest, was rewarded by the extremely profitable character of the investment, and in an augmentation of the company's popularity.

It is the cordial testimony of all Mr. Winston's business and personal associates that he was a man of great executive ability and of the strictest integrity, with a deep sense of the responsibilities of his exalted position.

He leaves a widow, four children and a hundred thousand policyholders to mourn his death.

Maynard and Jordan.

In their efforts to amend the insurance laws in the interest of wildcat life insurance, the speculative co-operatives—the Home Benefit, the American Eagle, the Mutual Reserve Fund, the Texas Self-Endowment, *et. al. ad nauseum*—were represented by J. C. Maynard in the lobby, and one Jordan of Alameda in the Assembly. These men disarmed the opposition of the fraternal societies by persistently assuming to act in their interests exclusively, and their success demonstrates that a bald lie well adhered to may be as credible as the truth.

A sufficient proof that both men were working in behalf of the wildcat hat-passers is supplied by the original bills which they

championed. These bills were the one introduced in the Senate by Lynch and lobbied by Maynard, and Jordan's pet measure, Assembly bill No. 35, which was so crude a measure that the speculatives repudiated it. Its author withdrew it, after learning that the committee would not consider a measure so palpably in the interest of fraud. There was a vein of decency in the Lynch bill, for it pretended to impose some restrictions on the speculative co-operatives; but Jordan's bill was a shameless effort to remove every barrier to dishonest assessment enterprises.

If these men had been honest in their professions of friendship for the fraternal societies, the word "associations" would not have been inserted in the substitute for Jordan's bill. Without that word in the new law, there would be no question as to the exclusion of the wildcat co-operatives. It is a superfluous word, as far as the fraternals are concerned, and was cunningly inserted by Jordan for the sole purpose of permitting the organization and admission of non-fraternal hat-passers. Is there a man so foolish as to believe that Jordan is a genuine friend of the benevolent orders doing a life insurance business?

If any further proof of Maynard's interested motives is wanted, it is to be found in the announcement in the San Francisco dailies of the incorporation of the Home Accident Association with his name among the directors. We expectantly await the announcement of Jordan's new co-operative.

Maynard's advocacy of the co-operative bills does not harmonize with his record while Insurance Commissioner. He then framed a bill designed to bring the co-operatives under the supervision of the Insurance Department, requiring them to submit to examinations, and make comprehensive reports annually. Then he was considering the welfare of the public, and his duty as Commissioner. In the lobby last winter, he was considering his personal welfare and his duty as the attorney of the wildcats and a prospective director of one to be organized under the new law.

As to Jordan, personally, we can say little, and care to say less. Happily for his political ambition, perhaps, little is known of him. It was for this reason that he was enabled to impose upon the credulity of an Oakland journal and *persuade* it to echo his opinion of himself, and with undeserved praise minister to his vanity at the expense of its reputation for strict veracity and good judgment. We do know that Jordan is a demagogue. Having said this much against the man, we will charitably favor him with a free advertisement, in a business way. If there are any more widows who wish him to invest their money in vineyards or otherwise for them, we dare say he will cheerfully undertake the trust.

A Word from a Los Angeles Local.

EDITOR COAST REVIEW—I naturally might have been highly gratified and complimented by perusing the essay on Local Agents in your March number, and place myself among the competent and honest of whom the writer discourses, and thank God that I am not as other men are, especially this poor insurance President. But it may be that climate affects disposition in a State stretching over such an extent of latitude as this of ours, and that he who resides in a town of so sanguinary and ferocious a name as Red Bluff may be able to use greater vigor of language than one who is blessed by the mild guidance of the Queen of the Angels and her train; and where the heavenly leave off and the earthly begin, greater experience than mine would be necessary to determine. To me all are alike celestial, and this may cause me in this letter to refrain from language which a gentleman would not use in the presence of ladies, even at the cost of energy—except when compelled to quote.

But to the subject, Local Agents, and, following the example of my illustrious predecessor, I shall treat of it under three heads, Special Agents, General Agents and Company Officers, closing with a few words of indirect commendation of ourselves.

In treating these various sub-heads, I lack the incentive to gentle and courteous treatment of their faults and occasional effort to unearth a virtue, which, being their guest, was afforded the essayist, and ask pardon in

advance for any uncomplimentary remarks that may slip in.

As for the locals, I have seen an occasional specimen of the class who yet had much to learn (*i. e.*, before he would be the equal of some of us locals), but, knowing a large majority of them, some intimately, my intelligence is not so acute as to enable me to detect in any of them that utter mental and moral unfitness for their position which the essayist appears to attribute to them; and as for "the best of the specials" being "regarded as insurance sharpers by a majority of the communities through which they travel," I can say, as simple justice to a class of men from whom I have learned much of what I know on the subject of insurance, that the man cannot be found in this large county who has not been connected with insurance frauds, who will whisper a word against one of them. They are welcomed as gentlemen, greeted as friends, esteemed as worthy members of a profession on which they confer honor; intelligent, honest, able men" with whom to deal is some compensation for the loss that brings them. Their coming is gladness, their stay a benediction, their departure a regret.

But, claiming to represent the local agents, the gentleman from Red Bluff shows us "how this agent deliberately lies when he lauds the business ability" of the officers of the companies. I have seen a company start with a small capital, hard times came, banks closed, brokers suspended, merchants failed —the one question was, "Where can we turn for safety in the financial whirlwind that threatens universal destruction?" But the company weathered the storm; the "figure heads," as the Red Bluff agent calls them, carried the craft through, and she still rides the waves, from which some may infer that any *block*-head can do as much.

A few years ago a fire wiped out of existence all the business part of Portland, Me.; The next year saw the blazing pavements of Chicago spring from the ground to mingle with the molten roofs, while between them palaces of brick, iron and stone were swept into nothingness. Scarcely twelve months had passed when the granite of Boston melted to meet the waste of Chicago in the void.

And where now are the desolate places? If you seek for them they are not to be found. Where were the ruins, now are buildings more magnificent than before. The insurance companies in great measure supplied the means, and from them came encouragement and the aid without which Chicago might have been like Palmyra. And when the agent says that this was owing to the wisdom of the officers in preparing for this unseen emergency, and lauds the business ability of President, Secretary, Manager and Board of Directors, the gentleman from Red Bluff declares this agent deliberately lies.

It is doubtless true—if it is not, writers on the subject from the earliest days to the present time are sadly in error—that incendiarism is increased by over-insurance. But it is equally true that "evil communications corrupt good manners," and so are many other old saws. But if the essayist can prove that we are working under "a miserable system that offers no inducement to an honest, competent and energetic man to perfect himself to fill such a position," etc., can the gentleman suggest the name of some person to try in Tehama County, as he confesses that the present inducements have not sufficed to draw out such a one? But—the possibility suddenly suggests itself—the lazy, incompetent and dishonest agents, the wretched outcome of the present worthless system, may, by traveling to Red Bluff, have an opportunity to view those perfections with which their own sins and weakness form so painful a contrast; and general and special agents, as well as Presidents, Secretaries, Directors, etc., learn their duty.

But a remedy for all these evils has been found. For years it has been sought. The mystery which the hitherto combined wisdom of the insurance world has sought in vain to penetrate, has given up its secret, and to a local agent; and this is the wisdom in comparison to which, to laud that of Presidents, Secretaries, etc., we are told by its possessor is deliberately to lie. And the reform can be made "quicker than one could say Jack Robinson." The evil arises from giving local agents commissions. The remedy is to consist in retaining the commis-

sion and adding $150 per month, and giving an entire county to one agent. I feel as if I were about to undertake the hopeless task of "gilding refined gold;" but yet I tremblingly suggest an amendment, that is, let each company, not all united, give the hundred and fifty dollars. In that case I would exhibit my interest in the reform by accepting the agency for Los Angeles county, and, if insisted on, would make over-insurance absolutely impossible by not insuring at all. True, some of the others might object, but the man who would not be willing to sacrifice the rights of others for a principle—and a few thousand a month—is incapable of appreciating the combined plan now laid before the insurance world. Beside this, the wisdom of Presidents, Secretaries, Managers and Directors is indeed folly.

When we have succeeded in accomplishing this reform, I propose to apply it to other kinds of business, and divide the counties among merchants, butchers, dry goods dealers, etc., as all know that these branches, as well as insurance, suffer from undue competition. Then we will take up the professions, and each lawyer, doctor and preacher shall have his field of usefulness marked out for him, into which it shall be death for a competitor to enter. How this would work, the lawyer, having to act for both parties, would have no inducement (unless it might possibly be a larger fee) to prefer one client to another, and all would be free from strife; the dying patient, having tried but one physician, would depart happy, in the freedom from doubt as to who speeded him on his final journey; while in each little village, struggling into a wretched existence of rough redwood and shakes, there would not be half a dozen half starved preachers in holy emulation as to which should save the greatest number of souls, by tossing to them the shattered fragments of mangled English on which they might, haply, float on to the heavenly shores.

To close, the essayist holds that the local agent should be the best posted and most thoroughly accomplished business man in the community. Well, so do all of us. Who isn't? Those who are not, hold up your hands. Just as I thought, not one. Those who are, manifest it by rising. All up. And if anybody wants to see the finest looking, most intelligent, most accomplished lot of business men on the Pacific Coast, this is his chance. At least, the essayist and I will not have the presumption to refuse the rest of the brethren the right to vote as we do.

I have in these remarks merely tried to give expression to the idea, in which many other locals join, that all the credit for all that has been done to advance the interests of insurance does not belong to few or many local agents, and that some wisdom may, without falsehood, be attributed to others.

For one—no, not for one, but, I am sure, for the vast majority of the locals, I admit my obligation to Presidents, Secretaries, Manager, and special and general agents, for advice and wisdom imparted, for forbearance when they were justly provoked by neglect, ignorance and thoughtlessness, for personal kindness and unfailing courtesy; in short, for all that makes the association of gentlemen in business or as friends, pleasant and improving; and I esteem it a privilege and a pleasure, as well as the least that a man can do, to testify to these things, and express my constant and perennial gratitude for them.

G. F. McL.

The Attorney-General.

Several months ago, as the reader may remember, suit was brought against the Home Benefit Association of San Francisco in the name of the Attorney-General of the State, with that official's consent. The Home Benefit was, and is yet, a stock assessment insurance company, but never complied with the insurance laws of the State. By persuasive arts, the nature of which can only be surmised, the Attorney-General granted the association six months' time to file an answer, and did this without consulting the special counsel for the prosecution. To say this was unprofessional is applying a very mild epithet to an unprecedented and wholly inexcusable abuse of

privilege. The Attorney-General, after the interview with the representatives of the association, concluded that he had "made a mistake" in allowing the suit to be formally begun in his name. If there was any reason to imagine that he believed he had made a mistake of a legal character, that reason can no longer be urged, in the light of his subsequent conduct. He granted the association the extraordinary period of six months to enable it to secure legislative relief, knowing that, as the law stood, it was an illegal corporation, however liberally the statute might be interpreted. He advised the association to secure such "relief," and stated afterward, to other persons, that under the old law he would be compelled to close all the co-operatives, benevolent and speculative. Therefore, according to his own admission, he had no doubt that the Home Benefit was transacting an illegal business. It is perfectly clear, then, that he did not mean that the "mistake" in bringing the suit was of a legal nature.

The legislative relief advised by the Attorney-General could not be secured, but the amended law served as a pretext for the dismissal of the suit against the San Francisco wildcat. Again this official impudently ignored the wishes of the prosecution and the established rules of professional courtesy, and at the solicitation of an illegal corporation suffered it to go "unwhipped of justice," without consulting the prosecuting witness or his counsel.

The new law does not apply to the Home Benefit, for it is a stock corporation; nor is the law in force until sixty days after the Governor appended his signature. Yet the Attorney-General, in dismissing the suit against the association—a suit which was brought in his name merely as a necessary matter of form—virtually grants the managers permission to violate the law with impunity, so far as penalty may come through him. "Dressed in a little brief authority," the egotistic Attorney-General proclaims his superiority to the law, and otherwise so fantastically deports himself as would make the "angels weep" and devils laugh.

Attorney-General Marshall has stultified himself. That is the euphemistic way of saying he has made a fool of himself, and in his undignified haste in exercising extra judicial powers has betrayed a personal interest in the association, and an amazing disregard of the plain duties of his honorable position.

Life Insurance Report of the New York Department.

Superintendent McCall of the New York Insurance Department has placed us under obligations for advance sheets of his annual report relating to life, casualty and assessment insurance. He discusses the subject with the skill of an expert and the impartiality of a fair-minded man, and rounds up his report with a valuable collection of statistical information.

Following is a comparative table showing the progress made during 1884 by the regular life insurance companies reporting to the Department:

	1883.	1884.
Number	29	29
Assets	$471,805,920	$491,487, 19
Reserve	$384,845,455	$402,884,463
All other liabilities	6,662,372	6,792,065
Total liabilities	$391,507,827	$409,676,528
Surplus	$80,298,093	$81,811,191
Capital stock	4,290,500	4,290,500
Premiums received	$67,322,119	$72,016,264
All other receipts	25,240,644	24,958,112
Total income	$92,562,763	$96,974,376
Claims paid	$33,894,306	$35,602,543
Dividends to policyh'lds.	13,417,465	13,043,498
Paid for forfeited pols...	3,837,856	9,503,530
Expenses	15,295,265	18,153,436
Dividends to st'k h'ldrs.	298,697	329,091
Total disbursements	$71,743,589	$76,632,098
Policies in force	705,659	750,567
Insurance in force	$1,763,730,015	$1,870,728,059

CO-OPERATIVE LIFE INSURANCE.

Examinations of thirty-six co-operatives made during the year showed that in several instances the officers and agents had been speculating in claims against their associations.

The use of mortuary assessments for expenses was found to be frequent and in di-

rect violation of the by-laws. Referring to this matter the Superintendent makes a palpable stroke at the Mutual Reserve Fund Life Association. He says: "It is scarcely necessary to add that such practices will bring disaster to the business. The Superintendent has not hesitated to criticise the officials responsible for this stated misuse of the funds, and while it affords him pleasure to say that the several boards of directors have shown a willingness to correct the wrongs, in some instances there has been a ludicrous attempt to charge the examiners with being prejudiced against the particular association, prompted by an opposition to the assessment business brought about by the influence of old line companies. Of course, the excuse to the members was intended to *cover up developed irregularities of the officers*. There can be no valid objection to an assessment for the purpose of paying expenses, if it is deemed advisable to pursue that course, rather than to collect such payments by annual dues or initiation fees." Harper, the President of the Mutual Reserve Fund, is making a bitter fight at Albany against a bill prohibiting the use of mortuary assessments for "expenses.

FRATERNAL AND NON-FRATERNAL.

The business was divided between the two classes of co-operatives as set forth in the table below. The attention of the reader is directed to the fact that the expense ratio of the speculatives is far greater than that of the benevolent societies, the latter being only five per cent. of the receipts, while the expenses of the non-fraternal co-operatives averaged 36.2 per cent. of the receipts. This startling proportion is owing to the high salaries paid the officers.

	1883.		1884.	
	Fraternal.		Speculative.	
Number...	60	60	66	61
Total certificates.....	410,671	115,028	476,438	115,136
N.Y. certificates.....	113,332	74,119	136,265	88,647
Assets.....	$1,458,886	$996,154	$2,263,952	$1,426,111
Liabilities..	641,541	508,068	1,040,461	707,059
Receipts....	8,936,829	2,850,322	10,464,305	2,776,737
Claims paid.	9,102,590	1,244,890	9,702,336	1,456,966
Exp'ns paid.	438,168	872,108	525,022	1,003,798

FIRES.

February 27, Fresno, Cal., furniture stock:

Amazon	$1,510
American Central	1,000
Niagara	500
Pacific	315

March 5, San Francisco, boot and shoe stock:

Glens Falls	$585
Prussian National	900
Union, Phila	980
German, Freeport	980
Springfield	928
Oregon	928
Niagara	929
Amazon	929
Pacific	929
Total	$8,483

March 1, Petaluma, Cal., dwelling:

American Central	$395

March 2, Los Angeles, Cal., private stable:

Pennsylvania Fire, Phila	$200

March 10, Los Angeles, Cal., frame building and contents:

Ætna	$530

March 5, South San Francisco, frame building and contents:

Ætna	$1,500

March 8, Tulare county, Cal., dwelling and contents:

Phenix, Brooklyn	$2,550

March 4, Santa Clara county, Cal., tool house and machinery:

Phenix, Brooklyn	$1,385

March 17, Ellensburg, W. T., general fire:

California	$837
Ins. Co. N. A	750
Penn. Fire, Phila	750
Union, N. Z	915
Oakland Home	400
Royal, Norwich Union & Lancashire	4,000
Total	$7,652

March 17, Seattle, W. T., boarding house:

Manchester	$1,000
London & Lancashire	$1,000

March 10, Ogden, Utah, general merchandise:

Union, N. Z	$256

March 9, Jackson, Cal., household furniture:

Phenix, Brooklyn	$400

March 5, San Francisco, stock and fixtures:

Union, N. Z	$150

March 17, Miles City, M. T., dwelling and furniture:

Union, N. Z.	$800

March 17, San Bernardino county, Cal., hotel:

London & Lancashire	$2,250

March 2, Plano, Cal., dwelling and contents:

Hamburg-Bremen	$750

March 2, Fresno, Cal., frame building:

Springfield	$1,076
German, Freeport	1,066
Merchants, Newark	1,033
Pennsylvania Fire, Phila	300
California	900
Union, N, Z.	1,360
South British & National	2,298
Commercial Union	700
Firemans Fund	208
Providence-Washington	208
Manufacturers	500
Western, S. F.	1,125
Phenix, Brooklyn	248
American, Phila.	128
Boston Underwriters	461
Boatmans	600
Pennsylvania, Pittsburgh	600
Guardian,	926
Fire Ass'n, London	800
Connecticut	100
Orient	221
Commercial, S. F.	200
Sun	461
Pacific	843
Niagara	562
Northwestern National	927
Total	$18,551

March 1, Prescott, A. T., drug stock:

Phœnix, London	$2,200
Western	1,400

March 9, Helena, M. T., livery stable:

Bowery	$500
Washington	500

March 13, Jamestown, Cal., general merchandise:

Manufacturers	$1,200

March 12, Arizona, public hall:

Phœnix, London	$1,250

March 10, Lane county, Or., dwelling and furniture:

Phenix, Brooklyn	$1,000

March 16, San Luis Obispo, Cal., dwelling and contents:

Phenix, Brooklyn	$1,315

March 13, Turner, Or., dwelling:

North British & Mercantile	$2,575
Guardian	2,300

March 16, Sacramento, Cal., brick building and general merchandise:

North German	$168
Manufacturers	825
Western, Toronto	305
British America	305
Home Mutual	1,800
Sun	831
Liverpool, & London & Globe	629
Royal, Norwich Union & Lancashire	1,823
Union, S. F.	244
Amazon	750
Niagara	750
Total	$7,599

March 17, Camp Thomas, A. T., adobe building and general merchandise:

London & Lancashire	$2,500
Imperial, London, Northern & Queen	2,500

March 17, Corning, Cal., general fire:

Manchester	$250
Phenix, Brooklyn	1,614
American, Philadelphia	1,614
Firemans Fund	1,479
Ætna	1,000
Liverpool & London & Globe	400
Imperial, London, Northern & Queen.	1,467
Connecticut	1,184
Security	430
Total	$9,438

March 8, Oakland, Cal., building, cigars and tobacco:

State Investment	$691
Western, San Francisco	187
Oakland Home	187

March 5, Oakland, Cal., dwelling and furniture:

Firemans Fund	$300
Commercial Union	182

March 26, Fresno county, Cal., dwelling:

California	$500

March 27, Dayton, W. T., woolen mill:

Firemans Fund	$1,312
Providence-Washington	906
Home & Phœnix	4,436
Hamburg-Bremen	2,218
Washington	1,109
Lion	1,109
Connecticut	1,312
Security	905
Guardian	2,218
Liverpool & London & Globe	2,218
Tntal	$17,744

March 23, Astoria, Or., hotel:

North British & Mercantile	1,000
German-American	1,000

March 4, Phœnix, A. T., frame store:

Home Mutual	$1,300

March 5, San Francisco, stock of furniture:
North British & Mercantile..... $762

March 8, Carson, Nev., dwelling:
Hartford..... $1,450

March 14, Oakdale, Cal., frame building:
Commercial Union..... $500

March 21, South San Francisco, boarding house:
New York Underwriters..... $1,075

March 3, Sacramento, Cal., building:
Western, San Francisco..... $115

March 4, San Diego, Cal., barn and contents:
State Investment..... $320

March 21, Sacramento, dwelling and furniture:
State Investment..... $300
Western, San Francisco..... 250
Imperial, London, Northern & Queen..... 460

March 21, San Francisco, furniture, etc.:
Western, San Francisco..... $400

March 18, Stockton, Cal., private stable:
Hamburg-Magdeburg..... $300

March 17, San Bernardino county, Cal., hotel:
Ætna..... $225

March 9, Oakland, Cal., brick building:
Home Mutual..... $1,000

March 12, Billings, M. T., frame building:
Ætna..... $1,957
Hartford..... 2,000

March 19, Seattle, W. T., dwelling:
City of London..... $198

March 2, Prescott, A. T., general merchandise:
South British & National..... $499
Orient..... 1,191

March 20, Placerville, Cal., dwelling:
Commercial Union..... $400

March 23, Astoria, Or., sash and door factory:
Hartford..... $625
Oakland Home..... 625

March 23, Marysville, Cal., frame dwelling and contents:
Home Mutual..... $340
Firemans Fund..... 439

March 11, Independence, Or., dwelling and furniture:
Home Mutual..... $1,000

March 4, Santa Barbara, Cal., frame barn:
Home Mutual..... $800

March 7, Live Oak, Cal., saloon and dwelling:
Hartford..... $1,155

March 3, San Joaquin county, Cal., dwelling:
State Investment..... $500

March 4, Santa Barbara, Cal., car stables:
Ætna..... $725

March 17, Eureka, Cal., frame building and household furniture:
California..... $1,500
Union, New Zealand..... 540

March 23, Santa Cruz county, Cal., dwelling:
Phenix, Brooklyn..... $350

March, 11, Seattle, W. T., steamer:
California..... $1,428
Union, N. Z..... 1,428

March 7, Modesto, Cal., general merchandise:
Manufacturers..... $2,000

March 19, Seattle, W. T., furniture in hotel:
Firemans Fund..... $125
London & Provincial..... 200

March 5, San Francisco, millinery stock and furniture:
New Zealand..... $999

March 24, San Francisco, lodging house furniture:
Helvetia..... $260

March 14, Red Bluff, Cal., dwelling and household furniture:
Washington..... $225
Imperial, London, Northern & Queen..... 3,050

March 7, San Francisco, frame store building:
Liuerpool & London & Globe..... $115

March 10, San Jose, Cal., dwelling:
Fire Ass'n, London..... $400

March 22, Los Angeles, Cal., bakery and contents:
German, Pittsburgh..... $335
Peoples, Pittsburgh..... 60

March 19, Williams. Cal., frame slaughter house:
Liverpool & London & Globe..... $397

March 5, Williams, Cal., dwelling:
Agricultural..... $100

March 23, Redding, Cal., dwelling:
Lion..... $363

March 23, San Francisco, store building laundry and cigars:
Citizens, Pittsburgh..... $825
Fire Ass'n, London..... 125

March 1, Dayton, W. T., frame building:
Commercial, S. F..... $340

March 5, Oakland, Cal., dwelling:
Agricultural..... $750

March 1, Albina, Or., dwelling and furniture:
Oakland Home..... $163

March 5, Walla Walla, W. T., frame building:
Royal, Norwich Union & Lancashire..... $2,000

March 1, Oakland, Cal., hats and caps:
Oakland Home..... $427

March 11, Bisbee, A. T., general merchandise:
Commercial, N. Y..... $500

March 1, Elko, Nev., printing office:
Connecticut $950
Commercial, S. F..... 1,950

March 4, Oregon City, Cal., dwelling;
Lion..... $846

March 22, San Francisco, general merchandise:
Lion..... $750

March 12, Los Angeles, Cal., dwelling and contents:
Imperial, London, Northern & Queen..... $2,500

March 17, Walla Walla, W. T.. dwelling:
Guardian..... $375

March 23, Sacramento, Cal., dwelling:
Commercial, S. F..... $760

March 12, Stockton, Cal., brick building and dry goods:
Commercial, S. F..... $419
Fire Ass'n, Phila..... 419
Imperial, London, Northern & Queen..... 760

March —, Anaconda, Cal., general fire:
Commercial, S. F $321

March 7, San Francisco, dwelling:
Imperial, London, Northern & Queen..... $500

Grand total.....$159,551

CHIPS.

—Henry Evans, with the Continental of New York, visited the Coast last month.

—Alex. Neilson, of Sacramento, paid his everlasting respects to the REVIEW last month.

—Jas. H. De Verve, late of Stockton, has been appointed a special agent for the State Investment.

—W. M. Coward, for several years a prominent agent at Woodland, Cal., has re-entered the insurance business, as agent for several of our most prominent companies.

—A private letter states that the compact is running along smoothly at Los Angeles, and much more satisfactorily to agents than at first.

—The Pacific Coast agency of the German Fire Ins. Co. of Pittsburg, Pa., has been transferred from Hutchinson & Mann to Jacobs & Easton.

—Two important and unexpected events in local insurance circles occurring since our last issue were the transfer of the Continental agency from Balfour, Guthrie & Co. to Hutchinson & Mann, and the signing of the constitution of the Pacific Union by Geo. Marcus & Co. A slight ripple passed over the usually placid surface of the insurance "pool" at the announcement of these events, but nothing serious attended the disturbance. As we go to press, the "pool" has resumed its wonted serenity, and everybody is happy.

—The Pacific Insurance Union is now a real union, embracing all the companies operating in this field. Messrs. Geo. Marcus & Co., agents of the Transatlantic Fire Insurance Company, have reconsidered their resolution to remain aloof from the Union, and on the 6th inst. signed the constitution and became a component part of that invaluable organization. The manifest utility and harmonious workings of the Union soon rendered it apparent that the duty of the agency to sound underwriting principles required its co-operation, and that the interests of the company would be best conserved within so comprehensive an organization. We congratulate the Union, Messrs. Marcus & Co., and the Transatlantic upon this judicious decision. The novel experiment in the way of a compact, represented by the Pacific Insurance Union, has now a fair opportunity to demonstrate all its possibilities for good At the present writing, everything is working pleasantly, with flattering prospects.

—J. H. Hopkins, the Oakland agent of the California and the Union of New Zealand, has added the Ætna Fire to his agency.

—In changing the colors in the statement of the Connecticut Mutual Life, last month, the printer made a mistake, which is rectified this month.

—The Mechanics Fire Insurance Company of Brooklyn has reinsured its Pacific Coast business in the Niagara of New York, and retired from this field. The Mechanics was represented here by Hutchinson & Mann.

—W. A. Mackinder, an insurance agent and the editor and proprietor of the St. Helena (Cal.) *Star*, was in the city last month. He called upon the REVIEW, subscribed for it, and paid for it, without even asking for an exchange. We don't allow anything like that to happen very often.

—During the visit of Henry Evans, representing the Continental Insurance Co. of New York, the Pacific Coast agency was transferred from Balfour, Guthrie & Co. to Hutchinson & Mann. The standing and resources of the Continental make it a valuable accession to the agency of Hutchinson & Mann, and the facilities of the latter will in turn extend the business of the company in this field.

—F. R. Rule, special with Butler & Haldan's agency, resigned his position on the 4th inst., and on the 6th left this city for the East, where he will make his future home. Mr. Rule has been engaged in the insurance business in this State for the past twelve years, during which time he has made many warm friends among the fraternity in 'Frisco and the locals throughout the Coast.

—The Glasgow & London Insurance Company of Great Britain has been admitted to do business in this State, and appointed John Landers as its General Agent. This company lately increased its paid-up capital to $500,000. Its assets are about a million dollars. A general agency business will be done in all the principal cities and towns of California. The Glasgow & London established a general agency in Canada a year or so ago, and last year received $265,630 premium income from its Dominion business.

—Dobinson & Fairchilds, of Los Angeles, have been appointed agents for the Imperial, London, Northern and Queen Insurance Companies, *vice* Geo. B. Drackenfield, who has taken a position in the companies' San Francisco office.

—Edward Hall, Secretary of the Oregon Fire and Marine Insurance Co. of Portland, is in the East, and will visit all the principal cities in the interest of his company. It is Mr. Hall's design to secure the admission of the Oregon into several Atlantic and Mississippi Valley States.

—W. W. Haskell, for several years City Agent, has been appointed General Agent for the Coast of the Travelers Insurance Company, *vice* Thomas Bennet, resigned. Mr. Haskell is an energetic worker and has made a commendable record in the insurance business in this field.

—Wm. Frank, of the firm of Gutte & Frank, General Agents, left this city on the 5th inst., for a few months' vacation. After spending a few weeks in the Eastern States he will visit Germany, his native land, which he left twenty years ago. Mr. Frank has been engaged in the fire insurance business in this city almost ever since arriving in this country, and during that long interval has never indulged himself in any vacation worth naming.

—We print elsewhere an interesting and serviceable table of the assets, premiums and payments to policyholders since organization, etc., of forty-four leading American life insurance companies. The gross premiums received since organization aggregate $1,347,300,214; gross amount paid to policyholders since organization, $961,119,085; present gross assets, $515,198,802. Adding the payments to policyholders to the assets, which are held in trust for them, gives the magnificent sum of $1,476,317,887, which represents the returns of life insurance to policyholders. This sum is $139,027,673 in excess of the payments by policyholders. In other words, over 139 million dollars has accrued to policyholders, after paying all expenses of the business. Is not this a wonderful record, considered merely as a business undertaking? Considered as a benevolent scheme for the protection of the widow and the fatherless, and for the relief of those on the downward grade of life, the record is glorious.

THE LION

FIRE INSURANCE CO.

OF

LONDON, - - - ENGLAND.



STATEMENT OF THE CONDITION AND AFFAIRS

ON THE

31st day of December, A. D 1884.

Capital		**$4,125,000 00**
Amount of Capital Stock paid up in Cash	$ 560,069 00	

ASSETS

Loans on Bond and Mortgage	$ 146,495 00	
Cash Market Value of all Stocks and Bonds owned by Company	564,662,00	
Amount of Loans secured by pledge of Bonds, Stocks, and other marketable securities as collateral	125,773 00	
Cash in Company's Office	952 00	
Cash in Banks	93,047 00	
Interest due and accrued	10,704 00	
Premiums in due Course of Collection	185,959 00	
Bills receivable, not matured, taken for Fire and Marine Risks	4,744 00	
All other Property	10,224 00	
TOTAL ASSETS		$1,142,560 00

LIABILITIES

Losses in process of Adjustment or in Suspense	136,030 00	
Gross Premiums on Fire Risks running one year or less, $679,026 00; re-insurance fifty per cent	339,514 00	
Gross Premiums on Fire Risks running more than one year, $ 67,885 00; re-insurance pro rata	38,149 00	
All other Liabilities	47,605 00	
	561,298 00	
CAPITAL STOCK PAID UP	560,069 00	
SURPLUS over Capital and all other Liabilities	21,193 00	
		$1,142,560 00

INCOME

Net Cash actually received for Fire Premiums	$ 873,575 00
Received for Interest and Dividends on Bonds, Stocks, Loans and from all other sources	30,738 00
TOTAL INCOME	$904,313 00

EXPENDITURES

Net Amount paid for Fire Losses	$ 560,191 00
Paid or allowed for Commission or Brokerage	153,572 00
Paid for Salaries, Fees and other Charges for Officers, Clerks, &c	130,517 00
All other Payments and Expenditures	935 00
TOTAL EXPENDITURES	$845,215 00

GEO. D. DORNIN, - - - Manager

WM. SEXTON, - Assistant Manager

PACIFIC DEPARTMENT,

322 MONTGOMERY STREET SAN FRANCISCO, CAL.

PACIFIC DEPARTMENT

OF

THE LION

FIRE INSURANCE CO. OF LONDON, ENGLAND.



322 Montgomery Street, San Francisco, California.

Geo. D. Dornin, - Manager.

Wm. Sexton, Assistant Manager.

—For unalloyed simplicity, child like innocence, and fool-like ignorance, the organ of the Ancient Order of United Workmen in this city is without a rival. In its issue of March 28th, the *Pacific States Watchman* rejoices over the enactment of the law exempting co-operative associations from State supervision, and thanks "Brother Jordan." The A. O. U. W. had nothing to lose and much to gain if the laws remained as they were, for they excluded all non-fraternal co-operatives. It was the purpose of "Brother Jordan" to admit all co-operatives without restriction, and thus to expose his order and other benevolent societies to the damaging competition of wildcat assessment associations. If the new law does not admit the non-fraternal co-operatives, it is not the fault of Jordan nor of Maynard and other pretended friends of benevolent insurance societies and paid attorneys of the speculative co-operatives.

—The water supply is nowhere in London continuous; the only rational system, as it obviates at least the perils of stagnation and the formation of vegetable growth. The stream is turned on from the main once only in twenty-four hours, and each cistern fills till its own private ball-cock drops and shuts out the supply. But these ball-cocks are not by any means to be implicitly trusted. They work with dangerous independence and caprice, sometimes absolutely refusing to let the water come in on any terms, sometimes giving it such unchecked access that it overflows and swamps kitchen or loft. In winter it freezes and becomes rigid; then pipes burst in on the recondite and inaccessible recesses where the ingenuity of the builder has secreted them, causing unspeakable damage and discomfort. If from these or other reasons the allotted bulk of water does not come or vanishes, you are without it till the usual daily hour when the turn-cock—an official in a sort of uniform—again comes around to your street to turn on the supply. London has no "Bornes fountaines" or street-curb fountains like Paris, nor are the gutters flushed by a running current, effectually quenching the dangerous exhalations from the open sewer gratings.—*N. Y. Paper.*

—The Prudential of London, has 6,302,890 industrial policies in force.

—The Washington Life Insurance Company of New York has a well-earned reputation for fairness and liberality in its dealings with policyholders. The management is a cautious one, and notably prudent in the investment of the several millions of trust funds in its possession. The annual report of the business for 1884 shows a healthy growth. The assets, which now aggregate $7,273,650, gained nearly $300,000. The surplus over all liabilities is about $1,000,000. The membership was increased by the addition of some 3,000 new policies. The premium income for 1884 was $1,434,332, and the amount returned to policyholders, $1,148,303. The policies of this company do not lapse by non-payment of premium when due, the time being extended, during which time the policyholder may pay the amount due, which will be accepted without further medical examination. The Washington Life does a good business in this field, where it is represented by John H. Gray.

—Policyholders in the Mutual Reserve Fund Life Association of New York, are "kicking" with an energy that threatens the integrity of that frail structure. It is their well-grounded belief that the managers are appropriating a bulky share of the death assessments for "expenses," and some of them know that these "expenses" include elegant champagne suppers at Delmonico's and corpulent salaries. Several of the officers of the Mutual Reserve Fund receive as high as $20,000 each annually, and others receive $15,000. The salaries of the officers in New York, in the aggregate, exceed $100,000 annually, and the general agents of this wildcat throughout the country are in receipt of munificent compensation. Under these circumstances, it is a paralyzing exhibition of cheeky hypocricy when the Mutual Reserve Fund gang declaim against the old line companies for paying liberal salaries to men who earn them by the exercise of rare financial ability and the possession of a character warranting the assumption of the gravest responsibilities.

—A valued policy bill was defeated in the Minnesota Legislature, and a compromise substitute was afterward vetoed by the Governor.

—The office of the New Zealand Insurance Company in this city had a most unexpected, yet thoroughly welcome visitor the other day. A Catholic priest stepped in, and calling the cashier, laid before him $100 with the words "conscience money," and then stepped out quickly and was lost to sight though to memory dear. Unfortunately, similar cases are of rare occurrence. That kind of conscience does not flourish in any climate.

—Some statistical information has been lately given in the *Popular Science Monthly* on the sick rate. The figures given are taken from the reports of the Odd Fellows and other benevolent societies who give aid to members, and apply only to male adults. The average sickness of the better class of the male population of the United States is a week and a half each year. It was found that there was a regular increase in the average of sickness with each year of a person's life. At 21, the average of sickness is three days per year; at 30, four days; at 35, five days; at 40, six days; at 45, seven days; at 50, nine days; at 55, twelve days, and at 60, nineteen days or nearly three weeks.

—The American Surety Company of New York has made its first annual report, embracing the business from April 14th to December 31, 1884. It will be remembered that this is the largest company of the kind in the world, having a cash capital of $500,000, and it is the only company dealing exclusively in surety insurance. A great deal of hard work and expense is required in extending the business of a new enterprise like this, but the American Surety makes a flattering showing, having a net balance of several thousand dollars, after paying all the numerous preliminary expenses which will not be again incurred. Bonds to the amount of $4,212,728 were issued during the eight months covered by the report. The business is well under way in this field, where the company is represented by Brown, Craig & Co., with C. Van Dyck Hubbard as manager.

—The head clerk of a Philadelphia firm of auctioneers told the owner of books consigned to them that he need not insure them, as the firm carried enough insurance to cover all goods stored. When the fire occurred the insurance was much less than the value of the goods. The auctioneers apportioned the insurance money among the various owners of goods, but the book man refused to accept his share, and sued the firm and got judgment for the value of the books. The Supreme Court of Pennsylvania held that the statement of the head clerk of the firm was binding.

—Assessment 69, on the death of B. W. Howser of Marysville, Cal., and others, was levied last month by the Order of Chosen Friends. Howser died in May, 1884. Why the delay of nearly a year in making the assessment? Simply because the death rate of the Chosen Friends has been so large that the managers dare not levy assessments to satisfy death claims as fast as presented. They suffer the claims to accumulate until a decrease in the death rate presents a favorable opportunity for levying extra assessments. This is the practice of all co-operatives, fraternal and non-fraternal. If the new law imposes no restrictions on the wildcat co-operatives, competition and a diminished membership will force the societies to delay assessments more than a year, and then indefinitely.

—It has been suggested that if the insurance companies would put a stop to unfriendly legislation they should do as the railroads are said to do, buy up the legislators. Formerly legislators and courts bore down hard upon railroads; now the railroads seem to own the most of them. An annual pass within the limits of the State would probably be the price of an average State legislator. It would possibly take a transcontinental pass to buy a congressman. A five year fire policy on the homestead, where they have one, and a paid-up life policy in a small amount, given out where it "would do the most good," might, in the estimation of some, turn both fire and life insurance companies into bands of mercy instead of demons of destruction. — *Cincinnati Price Current.*

—A bill abolishing the Insurance Department, transferring the business to the Comptroller's Office, has passed the Texas Senate.

—For the summaries of the New York, Ohio and Missouri laws regulating co-operatives, included in the remonstrance to the Governor, printed elsewhere, we are indebted to the *Insurance Society* of Montreal. A comparison with the new law of California shows how thoroughly unprotected it leaves members of co-operatives.

—The San Francisco agency of the New Zealand Loan & Mercantile Agency Company (Limited) of New Zealand, under the management of Mr. Hugh Craig, has grown to such an extent as to require the appointment of a separate manager, who arrived by the last steamer from Australia. Mr. Craig will, however, continue his connection with that institution as local adviser, in conjunction with his management of the New Zealand Insurance Company. Mr. Craig is now in New Zealand. Before returning, he will visit Melbourne and Adelaide, and will probably make a tour of the South Island of New Zealand, and will arrive in San Francisco about May 18th.

—The *Insurance Society* of Montreal for February contains the views of a number of Insurance Superintendents on the supervision of co-operatives. All favor such supervision, and a rigorous one at that, as the only possible protection against fraud. Of co-operatives, the Missouri Superintendent says: "It is yet problematical whether they should be permitted to exist at all. They open so many avenues for fraud that it is difficult to keep them in line of honest duty." The Connecticut Superintendent says: "There can be no question that a broad distinction should be made between benevolent and speculative societies or associations." He also makes this pertinent inquiry: "If a deposit be required from the old line or regular companies for the protection of the insured, why should assessment companies be exempted?" The Colorado Superintendent writes that no co-operatives, other than benevolent, should be allowed to transact business without establishing a guarantee fund or deposit.

—Assessment insurance is an experiment, and has not been tested by time, like other insurances, and should be guarded by laws so as to give to its members as complete protection as the old line companies are compelled and supposed to do by the reserve required on the valuation of their policies.—*Insurance Commissioner of Connecticut.*

—Judge Brown, of the Baltimore City Circuit Court, in a recent decision characterized a speculative co-operative as "a gambling corporation of the worst description," and "carrying on a life insurance business under false colors." This testimony, being judicial and from a disinterested man of ability, is decidedly refreshing.

—A prospectus announces the formation in this city of a fidelity insurance company, to be known as the Pacific Surety Company, with a cash capital of $100,000. The prime movers in this new enterprise are Wallace Everson, A. P. Redding and E. F. Green, and among the gentlemen who have taken stock are the following prominent business men of California: E. C. Sessions, F. Miller, S. C. Denson, T. J. Clunie, J. W. Phillips, C. T. Hopkins, Geo. W. Grayson, J. F. Houghton, Geo. C. Perkins, H. Wadsworth, Albert Miller, J. N. Knowles, A. P. Brayton and Henry L. Davis. The laws of California now permit the courts and State, city and county authorities to accept surety bonds issued by corporations of this character, and a large and profitable business is thus virtually guaranteed. Surety insurance is comparatively new in this country, but in England, where it is very popular, it dates back to 1840, and employs over $5,000,000 of capital. It has long since passed out of the experimental period, and is now recognized as a legitimate, safe and profitable variety of insurance. In this country there are two surety companies—the Fidelity and Casualty and the American Surety, of New York—both of which are represented in San Francisco. These companies are transacting a large and growing business, creating a demand for their security and making it indispensable wherever it has been employed. There is ample room on this Coast for a home company of this description.

—We surrender considerable space, this month, to the valuable paper on waiver and estoppel, by Mr. Peter Winne, of Denver, Col. It exhausts the subject, and will be preserved by every reader interested in insurance law.

—The officers and committees of the Fire Underwriters' Association of the Pacific for 1885-6 are: President—C. Mason Kinne; Vice-President—Z. P. Clark; Secretary—R. H. Naunton; Executive Committee—Geo. F. Grant, H. W. Snow, Oliver Hawes; Standing Committees: Local Agents—Louis Mel, E. P. Farnsworth, Geo. F. Ashton; Forms of Policies—Wm. Macdonald, W. L. Chalmers, E. E. Potter; Losses and Adjustments—F. K. Rule, W. P. Thomas, C. P. Ferry; Legislation and Taxation—A. D. Smith, W. J. Landers, T. A. Mitchell; Fire Department and Water Supply—Robert Dickson, A. R. Gunnison, T. E. Pope; Statistics—A. P. Flint, E. W. Carpenter, A. C. Donnell; Library—Geo. Spencer, Wm. Sexton, S. O. Hunt; Editor Knapsack—Geo. F. Grant.

—Firemen have votes. Hence, the enactment of firemen's relief fund laws, which cinch the insurance companies and increase the cost of insurance. We print elsewhere the new law of this State, which provides for the establishment of a corruption fund to be manipulated by local political bosses. As the law is of doubtful constitutionality, the payment of the tax will be resisted, and a test case taken to the Supreme Court. If the law stands the test, the position of fireman in San Francisco will be a "reg'lar bonanza," and the ward-striker's pet ambition will be to get into the department, and secure a pension. It is not necessary that his disability shall have been incurred in the discharge of his duty as fireman. It may arise from drunkenness or vice, or be the penalty of exposure when off duty, or have been incurred before he entered the department. The law recognizes this objection, for it expressly says, "in case of disability not caused in or induced by the actual performance of the duties of his position," he shall receive a specified pension, or it shall be paid to his widow or children. Boss Buckley's lambs will now be provided for.

—What would Connecticut do without her life insurance companies? They paid, last year, 60 per cent. of the taxes assessed in the State. The Nutmeggers are thrifty, indeed.

—A neat advertisement is the handsome paper weight "presented by the Washington Life Ins. Co. of New York." "It must be seen to be appreciated," and was especially designed for a cyclone country. We are ready for "the man with the club."

—W. H. Richards, President of the Fidelity and Casualty Co. of New York, addresses to the President of a rival company a letter in most excellent temper, in reply to a possibly bogus circular, or private correspondence, urging legislation designed to secure a monopoly of the surety business. There is no occasion for any bitter competition between companies engaged in this branch of insurance. Fidelity insurance is still in its infancy, and there is plenty of work for several companies to develop it properly. If the work is done skilfully and harmoniously, this variety of insurance may be extended indefinitely, and with profit to all who engage in it.

—According to a local paper, the fire department of Walla Walla, W. T., is not so nearly perfect as it might be. At the burning of the Aurora Hotel last month, the firemen, instead of helping to get the engine out, ran off with the hose cart, so anxious were they to "see the fire." The fiery, untamed dray horses made provokingly slow progress until it was discovered that the excited by-standers had hitched the animals "wrong end to." This little error made no special difference, for steam was not made for some time after reaching the fire, the engineer having neglected to ignite the kindling. Steam under way at last, the hose was blown from the connection with the engine five times, Rescue resenting the mistake which repeatedly forced her to wear Tiger's hosiery. And then the amateur pipemen could not make the nozzle stick, because they persisted in ramming the small end into the hose, or for some other reason. The hook and ladder brigade were expected to be out by the time the adjusters arrived.

—Insurance Superintendent McCall, of New York, is a careful, thoughtful reader of insurance journals. That is why his reports are so comprehensive, practicable and readable.

—The Firemans Fund Insurance Company has got out a remarkably handsome lithograph of the home office. The likeness is a very faithful one, indeed, of the beautiful building of the company.

—We never publish anonymous communications. We have no confidence in the statements of an anonymous correspondent, nor any wish to know the views of any writer who dares not confide his name to us. His contributions are never read in the REVIEW office.

—A few weeks' exceptional sickness calls, amounting to only 50 cents per member, have compelled the Independent Mutual Brethren Society of England to suspend for the present all payments for sickness claims. This is one of the "friendly societies" which the American co-operatives "point to with pride."

—The average rate of interest earned by the Australasian life insurance companies is 6.10 per cent.

—The Life Association of Canada has reinsured its risks in the New York Life Insurance Co.

—The Secretary of the Provident Protective Association of St. Louis is in jail for swindling. The President has skipped. The books of the Association show that nearly 6,000 persons have been defrauded of sums ranging from $5 to $150. The collections averaged from $800 to $1,000 a month, all of which were pocketed by the Provident President and Secretary. Next!

—The *Knapsack* is a collection of anecdotes, jokes, suggestions and bright scintillations generally, written by the editor of that annual and a score or so of contributors. It is read at the annual meetings of the Underwriters Association of the Pacific. We reproduce a story and a bit of jingle from its pages, this month, and shall hereafter endeavor to cull something more.

SURETYSHIP.

AMERICAN SURETY COMPANY

CASH CAPITAL, $500,000.

General Office, 160 Broadway, New York.

RICHARD A. ELMER, Pres. LYMAN W. BRIGGS, Vice-Pres.

This Company will act as surety on Bonds required in the Courts. It is the only Company organized in the United States devoted exclusively to Suretyship, and with all its assets invested in this country. It guarantees the honesty of Officers and Employees of Railways, Banks, Telegraph, Telephone and Express Companies, and persons employed by corporations and business houses holding positions of trust and pecuniary responsibility.

E. D. L. SWEET & SONS.....Western Managers, Chicago
HENRY K. FOX..... Agent and Attorney, Philadelphia
GODFREY MORSE.....Agent and Attorney, Boston
BASCOME & MUNSON..... General Agents, St. Louis

BROWN, CRAIG & CO.,

General Agents for the Pacific Coast.

C. VAN DYCK HUBBARD, Manager.

429 CALIFORNIA STREET, SAN FRANCISCO.

THE GLASGOW & LONDON INS. CO.

OF GREAT BRITAIN.

Authorized Capital, - - - - - $2,500,000
Cash Assets, nearly - - - - 1,000,000

JOHN LANDERS, GENERAL AGENT,

410 California Street, San Francisco, Cal.

LOCAL AGENTS WANTED

IN THE PRINCIPAL CITIES AND TOWNS OF CALIFORNIA.

THAMES & MERSEY

Marine Insurance Co., Limited,

Of Liverpool, London and Manchester.

Capital Subscribed, - - $10,000,000
Capital Paid Up.....$1,000,000
Reserve Fund, in addition to capital, 1,875,000
Total Assets June 30, 1884..... 5,312,425

WM. GREER HARRISON,
Manager,
308 PINE STREET. San Francisco.

AGENTS:
VICTORIA, B. C.....WELCH, RITHET & CO.
PORTLAND, OREGON.....P. C. SCHUYLER.

BRITISH & FOREIGN

Marine Insurance Co., Limited,

Of Liverpool.

Capital Subscribed..... ....$5.000.000 Gold
Capital Paid Up..... 1,000.000 Gold
Reserve Fund, exclusive of capital.. 1,031,741 Gold

BALFOUR, GUTHRIE & CO.
General Agents,
316 CALIFORNIA ST. San Francisco.

GEO. W. SPENCER, MANAGER.

AMERICAN

STEAM BOILER INS. CO.

OF NEW YORK.

OFFICE, 170 BROADWAY.

Paid-up Capital, $200,000.

Insures Steam Boilers against Explosion and against loss or damage to Buildings, Stock, Machinery, Steam Vessels, and all other property, resulting from explosion. And we pay for Damage to Person and Loss of Life arising from Steam Boiler Explosion.

WM. K. LOTHROP, Pres WM. E. MIDGLEY, V. Pres.
VINCENT R. SCHENCK, Sec'y.

BROWN, CRAIG & CO.,
Gen'l Agents Pacific Department.
C. VAN DYCK HUBBARD, Manager.
429 California Street, S. F.

HARTFORD

Steam Boiler Inspection and Insurance Company.

The Pioneer Steam Boiler Insurance Co. of America
Organized 1866.

Paid Cash Capital.....$250,000
Cash Assets.....$415,000

J. M. ALLEN, President.
Gen. WM. B. FRANKLIN, Vice-Pres.
J. B. PIERCE, Secretary.

HUTCHINSON & MANN, Gen'l Agents,
Office, 306 Sansome Street.

COAST REVIEW.

A MONTHLY JOURNAL, DEVOTED TO FIRE, MARINE, LIFE AND ACCIDENT INSURANCE.

J. G. EDWARDS, Proprietor,

320 Sansome St., (Room 14), San Francisco, Cal.

(Take the Elevator.)

VOL. 20. MAY, 1885. No. 5.

Local Agents.

[From a paper by H. M. Grant, read at the ninth annual meeting of the Underwriter's Association of the Pacific.]

The local agent has been likened unto a rock on which was built the whole successful structure of company's business—the foundation stone; and aptly so, and even more, for the simile is not exact. He is the careful gardener and tender of the field in which the tree is planted, causing it to grow and be nourished by his industrious, skillful and faithful care in attendance, cultivating the soil, keeping down the weeds—and he has lots of them to keep down; he is the source and promoting cause of its growth and development. The local agent may be assured of his importance and worth and necessity, and the estimate the managing powers put upon him in this regard; and at the same time he should observe how much depends upon him to do his part well as the central figure.

To the local agent we would say:

BE INDUSTRIOUS.

Yours is a business of industry. What business is not? but yours, perhaps, preëminently so. Success attends the industrious agent in the measure of his efforts. You have the wares which the public want and must have, as they must have sugar and salt; but it is so ordained by general custom that they will rarely come where it is sold, to seek it as they will these commodities. They expect to be sought and treated with. You cannot sell so many goods of any kind as your neighbor unless you solicit custom, and ask for patronage, as he does.

SOLICITING.

Many agents there are who look upon soliciting custom for insurance as somehow not altogether reputable or just the thing, or something just a little to be slurred, and not quite up to a dignified thing. Why should there be any greater hesitancy in asking a man's patronage for an insurance policy on his house and goods, than for the sugar you want to sell him, or for the law which you may expound for him. He is going to have, must have, insurance and sugar and legal counsel, and *you* can supply him with it. What is every newspaper advertisement, or show-window, attractive prize label, the sweet and honeyed phrase, the wining, dining, etc., but soliciting in one form or another for custom and patronage, each after its kind? Shall the insurance agent be ashamed of his righteous calling, and deem it anything but the same kind of

soliciting to ask for patronage for his insurance wares, or deem success attainable without like effort as his neighbor?

A VITALLY IMPORTANT CALLING.

Know this, that your calling is one of prime importance in the commercial and every day world, and without it the wheels of commerce, industry and trade could not move, and all credit be stagnated, and individual distress stalk the land; of greater influence than banks and financial institutions—for, without it, they could not conduct their business. Magnify your office and your calling.

It is a plain matter of business, and what you can offer has merits, as your neighbor's goods, that should be told, made known, and like them, an active market sought; and when you find the incorrigible man, who is unfortunately blinded to his own welfare and so steeped in ignorance and folly as to hesitate to partake of the benefits of insurance, it is your duty to labor with him even as the Christian friend would labor with the erring, as your neighbor labors to convince his patron of the worth of this or that pattern, kind or brand.

A CONDITION OF SUCCESS.

It is not enough to have your books and papers and your signs, and to speak about it now and then. Labor for the business with energy and determination to do your level best. Read and study about it, look into it, be familiar with it and interested in it. You don't need to carry a four-inch auger with you—in fact, you should not possess an auger of any calibre, but let your victorious arms be persevering, painstaking, active industry. Pursuing this course, you cannot come short of success. Success aggregates to itself success, and you shall have more abundance.

ANOTHER INCENTIVE.

At this time, when by agreement on rates and methods in which all companies concerned are united, "all save one," there is renewed incentive for industrious work, and promise of corresponding reward. Now, more than at any previous time, the individual efforts of the local agent will score marked success. Improve it industriously, not alone for the promotion of companies' business, but for the ducats which will result to yourself.

Again, we would say to the local agent:

BE CAREFUL

in the selection of risks, in the manner of reporting them, in the frequent changes which may occur in the risk, and in all that pertains to the records of such changes in the policies, endorsements and reports, in ratings and recommendations and descriptions, in attention to instructions and directions given by communications by the home office and by its special, to correspondence; in short, be careful always in your business for the company, which, while easily comprehended, involves important issues.

Let not your ambition to secure business obscure the important aim to you and to the companies, to help them to make some money. That is

THE END AND AIM OF THEIR EXISTENCE,

and the reason for your agency. They furnish a vehicle for your making a good deal of money, but that isn't altogether what they live for. An injudiciously selected risk by reason of physical conditions, location, occupancy, trade, or of moral hazard in it or its immediate surroundings, may cost your companies their profits of your agency for many years. You would not mean to do it, no honest man would, of course, and all insurance agents are honest; but in your race for business, do not outstrip the fellow alongside called Prudence, and the same reasoning care should be exercised as in matters of your own business.

A HAZARDOUS BUSINESS.

Ours is a business of hazards, and we are ready to accept them; it is our meat and drink and the very nourishment of our bodies corporate. We can't tell what will or will not burn, or make but the shrewdest guesses, but we can so hedge them about with carefulness and prudence and observant regard of conditions, and turn the calcium light of varied experiences upon it, as to say this risk or that one is a proper hazard to put in our pouch, digest and assimilate, without fear of internal commotions, colic pains, distress or convulsions, and this or that one to reject for fear of these dire

consequences. This, the local agent is not always so well able to determine as the one who more intimately inspects the daily diet offered to this before mentioned corporate body, who anxiously attends to its nourishment and growth, sits up nights with it, it may be, and pays its doctors' bills.

THE MANAGER MISJUDGED.

This scrutiny is sometimes misjudged by the local agent, and when this magnate who sits in cautious judgment in dissection of the royal feast before it passes to the royal palate, discovering one or another dish not compatible with the internal organism, returns it most graciously and delicately to the wondering donor, he, the diligent, well meaning local, rises in scorn and tumultuous ravings, and declares, oftentimes in terms inelegant, that such action is arbitrary, ill-judged, discouraging, captious, all forsooth, because it is not seen, by the aid of wider vision, as he sees it in his local field. This should not be. There should be that rapport between both ends of the line, that the local agent may rely confidently upon the judgment of the manager. While sometimes he may be thought to be, and is, "finicky," as to a certain risk, or line of risks—nobody but the Pope is infallible—yet it is his aim and effort, recognizing the need of the corporate body which he serves, for nourishment and sustenance, and his own ambition that it shall grow in stature until its premiums and its assets shall be the envy of fellow laborers and a bulwark of strength and proverbial reputation to his patrons, and recognizing too the industrious and cordial efforts of his mainstay and support, the local agent, and the trials and tribulations of him; does he not trouble and rack his brain to judge rightly, and foster the local agent in his work and be consistent with the proper management of his company's interest.

It is by this judiciously combined thought and care and regard as to all points, that is created, with the aid of the local agent, and maintained, that enviable premium list, and that bulwark of strength and proverbial reputation, without which the business is an idle one.

IRRITATING CARES.

But does the local agent say that the proffered food is not always returned graciously and delicately. Set it down, if ever it so happens, to the crowd of cares and thought which surround the Manager in his duties, or the desperation of combined perplexities, for not one of them but regards his reliance and dependence upon the careful local, and shares his ambitions to secure a well filled ménu.

The chief taster of the viands served before his master likes them well seasoned; properly seasoned with the savor of rates, the local agent will take pains to see that the condiments are supplied in quantities requisite. In addition to the care in selection of the risk, should be that a proper rate accompanies it, one commensurate with the hazard, and variable with the conditions of the hazard. This is a truth too well known to be told, but what temptations beset the local agent in this respect, how is his heart troubled about it, how many conflicts arise within and about him.

IMPORTANCE OF ESTABLISHED RATES.

A local agent may sometimes fail to see how ten cents on twenty-five, or a dollar per hundred, can make much difference, and will clamor perhaps for a revision of some rates now happily established by general agreement. It is only a matter of ten or fifteen dollars, and if the risk burns it will be but little difference anyway; but he must know it is not that individual risk that the calculation is based upon. Ten or fifteen dollars does not make much difference in the gains or losses of a company, but it has the effect of taking that risk from a class of thousands, which the calculation *is* based upon, and putting it in a class of thousands where it does not belong, pulling that class down accordingly. It cannot be done with impunity. You cannot add even a little benzine to refined coal oil without its giving to all of it the ready inflammability of benzine.

The local agent should know that the requisite rate is an essential element, and guard that part of his business as zealously as an element of physical condition or moral hazard. It is the life and blood of the busi-

ness. Thanks to the beneficent doings of the Compact whereby there is Union in our happy family, like most of families too, with its skeleton in the closet, this matter of rating is more plainly indicated, and much of the agent's responsibility and trials removed.

Once more, to the local agent we would say,

BE FAITHFUL.

You have a peculiar position to fill. From the nature of things you exercise a dual capacity. You have your duties as a contracting party for the companies you serve, and for your clients, friends and neighbors with whom you live and move and have your being, and mutual interests and sympathies. This position should meet your most candid and impartial service. It is not asked that you abate a single element of interest in your friends and neighbors—there is no occasion for it; but that you swerve neither to the right nor to the left, neither in representations, applications nor in times of adjustment of loss; acting in strict impartiality to each in word and manner.

Each of us of the visiting fraternity has met the local agent in his every phase, and he presents many. The ranks number Mayors, County Judges, ministers, lawyers and doctors, merchants, clerks and carpenters, capitalists and those whose only capital is their energy and ability, some ladies, and the specialists who live by insurance alone. In this category all degrees of proficiency and efficiency, all dispositions, are met. Few there are that are not able men, good and true, faithful to their charges, competent and reliable. I question if in any other calling, so many men, of all habits and conditions and dispositions can be brought together, empowered with important trusts of contracting for their principals, and custodians of funds, that are so universally faithful to them, so universally gentlemanly, honest and honorable.

THE UNFAITHFUL.

Each of us notes exceptions to strictest faithfulness, where the commission is so eagerly sought as to prompt a leaning to get business at almost any hazard short of direct misrepresentation, men who will crowd to the utmost every facility they have, yet not downright unfaithful or betraying their trusts. Let the local agent be impressed with the fact that his commission is incidental to faithful performance of his full duty to his company, rather than paramount. The greater careful regard he gives to the trust and powers given, and the true interests of his company, the more solidly and firmly is his business built up and promoted, in the regard of his companies and the community, and consequently the more assured and augmented his income from it. The tempting present commission to be gained by some off-color proceeding counts little in comparison with the firm establishment of his business. Better would it be for all concerned if the agent, instead of being remunerated by commission, or commission alone, should receive a share of the profits of the business in his field, as might be done in some fields.

We find exceptions too to the faithful custody of funds received for premiums. Such exceptions are few compared with the whole number, but we all know of flagrant ones and too many minor ones. A local agent is utterly without excuse for any short comings in this respect. Managers of companies are without sufficient excuse for permitting it to assume proportions. As to the Manager, he is of long-suffering disposition; will often forbear beyond his good judgment out of regard for the convenience of the agent and perhaps his specious pleas; and out of regard for his active and capable efforts often, in every other particular, and because often deceived; and his special too, and credulous of promises, he is left to sing a mournful song as a reward for his pains and consideration. The remedy is to sternly and steadfastly collect.

SHOULD REMIT PROMPTLY.

As to the local agent, nothing is simpler than to remit his collections less his commission. The commission only is his. Why will not even honest and honorable men who are guilty of this sin of neglect, comprehend this and act on it? The local agent cannot afford to be slow and irregular in his remittances. However honest he is, and it is one of the last accusations, that of dishonesty, that a Manager is prepared to har-

bor against his local; he cannot with justice to himself put himself in a position of seeming to withhold funds that he has collected. He cannot afford to seek to excuse it on the plea of slow collections. He should collect. Collections are presumed.

CREDIT.

The evil of credit on premiums is an ever increasing one and needs to be strenuously combatted by the local, and overcome, as any other evil that have crept in. It has opened a wide door of consequences. When the Compact shall have added to its tenets of faith that it is an unwise, bad, and altogether immoral practice to suffer credits either in local or general agencies for a longer time than thirty days, a great good will have been accomplished. This evil, having its rise in competition, the manager has no gauge whereby to measure its "pressure" in these cases. The safety valve alone whistles the alarm, and he has not weighted the lever very heavily. Remit always faithfully your collections. Collect always closely your premiums. The Manager wraps within his soul the local agent always prompt with his remittances.

CITY BROKERS AND COUNTRY RISKS.

The matter of writing country risks through city brokers is a frequent cause of complaint, for your agent is a jealous agent. There is much justice in it; but in vain we seek to show that the circumstances of business sometimes demand it, while yet it is not countenanced as a rule by the home office, and in vain we urge that the agents' interest in his companies should prompt him to favor their so receiving a line of business which he cannot himself control or secure. He refuses to be comforted.

The local agent will find his work simplified under the ratings and rulings of the Union. Let him give it his ardent, earnest support. If so be "offenses must come," let him remember that it is in its infancy and taking its first step. Time and practice under it will smooth out any asperities, tone down any incongruities and correct any errors of fallible man, when it shall walk firmly and erect in fullness of vigor, and all names and conditions of men and companies shall rise up and call it blessed.

Rules for Apportionment.

[From a paper by A. R. Gunnison, read at the ninth annual meeting of the Underwriters' Association of the Pacific.]

Almost any experienced adjuster can produce a supposititious case, not unlikely to occur, that none of the old rules will apportion and do justice to all sides. Even the courts have been divided in their opinions, but have at last settled down upon the broad principle of law, that the apportionment of such losses shall be made, in each particular case, under some rule that would give to the assured the whole of his loss under the terms of insurance in any case that might arise. Protection to the assured is the fundamental principle of this legal decision. I may not have quoted exactly to the letter, and presume I have not, for I quote from memory; but I think that I have approximated the sentiment of the decision as laid down. I believe no decision has as yet been rendered by the courts under a policy containing a clause in its conditions governing the apportionment of a loss where non-concurrent insurance occurs—at least, I know of no such case. From this decision, which may be intended to do no injustice to the underwriters, I think there is no appeal, and should be none. If the courts will go a step further, and adopt a rule that shall be found to fit all cases that may arise, they will confer a blessing upon adjusters of fire losses that will entitle the Judges to a monument of gratitude.

SEXTON AND KINNE RULES.

Col. Kinne claimed, I think, that his rule would meet all cases sucessfully, and would practically demonstrate its usefulness by solving satisfactorily all problems that could arise under non-concurrent policies; and he invited any one to show, if they could, any reasonable case in which it would not justify that claim. So far as I know, he has not been answered unfavorably.

William Sexton, Esq., one of the most experienced and longest-headed men in the profession of adjusters, laid before the Association another rule, which in process of time came to be known as the Sexton Rule. He, also, claimed much for his rule; but

owing to his well-known modesty, has never, to my knowledge, claimed absolute perfection.

I had the good fortune, a few months since, to meet with a case that offered the desired chance of practically testing these rules, and also of comparing these with my own old way and, happily, also, with one of the old rules published many years ago. One of the policies interested in the loss referred to above, contained in its conditions a clause binding, or attempting to bind, the assured to a certain rule of apportionment, whether other interested companies or the assured concurred or not! The following is a copy of the clause, to wit: "In the event of partially non-concurrent insurance, then, to determine the liability of this company, it shall be assumed that policies, other than specific, shall contribute with specific policies in the proportion of the value of each item covered by the specific policies bears to the total value of all the items covered by the specific policies." It will be seen at a glance that this does not conform to the requirements of the rule suggested by the courts and referred to above. When the writer arrived upon the scene of loss, the adjuster employed by said company had already adjusted the loss upon all the items, and apportioned the loss under said clause, as he was in duty bound to do. A referee of the assured had refused to accept this apportionment, and was hard at work trying to devise a rule of apportionment that should give his client what he deemed his just dues. I have referred more particularly to this, to show that there are yet a few fire underwriters who deem self-preservation the first law of underwriting, although the highest courts of the land may rule, over and over again, that others have rights that underwriters are bound to respect.

A TEST CASE.

But the case in point was not an unusual one, or very complicated, and was quite like the very many suppositious ones we have been regaled with so often in the last two years or more. "A" company insured stock; "B" covered on stock and tools, and "C" covered on stock, tools and fixtures. There was loss on each of these items, and very much mixed. I shall not tax your patience by giving figures and details. Naturally the apportionment, under the clause, had to be referred back to the home office, and I took advantage of the opportunity and offered the problem to Messrs. Kinne and Sexton to solve under their respective rules; also, handed the same to the actuary of my own companies. The result, including the apportionment under said clause, was curious indeed. Without troubling you with figures, I will simply state the result. By the apportionment under the old rule, as shown in above clause, the assured would lose several hundred dollars, which, of course, one of the fortunate underwriters saved. The Kinne rule gave to the assured all his loss, and as it seemed to me, did no injustice to the underwriters. The Sexton rule varied considerably from the latter, making, however, a less discrepancy against the interests of the assured as shown under the said "clause," but showing, to my mind, an incomplete apportionment of the loss. The actuary's and my own results were exactly alike, and varied only a few cents from the Kinne result.

I therefore came to this conclusion, to wit: That the old rule, as shown in said "clause," is at variance with the Courts, and will never do; that the Sexton rule will not be satisfactory in all cases, and that the Kinne rule, as it appears in this case, is the most satisfactory, and the most likely to stand the test of practical use. This opinion may be said to be premature and superficial, founded, as it is, upon the working of one practical case only. It is the best I have to offer.

Legislation and Taxation.

[From a paper by J. F. Houghton, read at the ninth annual meeting of the Underwriters' Association of the Pacific.]

Every business in the land, all classes of property, and the most prudent of our citizens seek the protection of this great arm of our political economy, in the elaboration of the code and principles framed for the government of which the best and brightest minds of our country for generations have

given their best thought and action, the result of which is the enunciation of the general principles which should govern this great interest, as they are found in the codes and statutes of our oldest States, which have had the most to do with the intricate questions which daily arise in the commerce of a great country.

SUBVERSION AND CONFUSING LAWS.

In contradistinction with these great and broad principles which have their foundations laid deep in the everlasting principles of right, justice and fair dealing between individuals, are the bills introduced at every session of not alone our Legislature, but of every State in the Union, containing propositions having their origin in popular prejudice based upon imaginary wrongs; in narrow minds who refuse to see two sides to any question which has a corporation upon one side, and in the lack of time of legislators to fully investigate the multitude of bills laid before them. Some of these propositions, entirely subversive of the principles upon which this great interest is based, become a part of the law of the State which permits their enactment, creating in the various States incongruous, contradictory, and confusing laws to the great annoyance of the fraternity, and injustice both to the insurer and the insured, and set at naught the labor of years of study and thought of men who have made underwriting the business of their lives.

NATIONAL LEGISLATION THE REMEDY.

Your Committee are of the opinion that the radical cure of all these annoyances and hindrances to the legitimate business is *national legislation*. We believe that the Congress of the United States should, in concise and forcible language, declare to the people the principles upon which this great interest is founded, and establish rules, regulations and conditions, upon compliance with which any corporation organized in any State for that purpose may, so long as solvent, do business in any State of the Union, and be at once relieved of the great variety of requirements which the irregular enactments of the several States impose, and of all the objections which the ingenuity of an Insurance Commissioner can invent.

WILLING TO PAY FAIR TAXES.

We believe that all insurance companies have ever been ready and willing to pay their proper proportion of all taxes levied for the support of the whole government, and we protest that taxes for the support of charitable or other institutions or individuals, not imposed upon other corporations or citizens generally, should not be collected in any manner from insurance corporations. In regard to the taxation of the insurance corporations organized outside the United States, and doing business therein, your Committee have yet to find one instance where complaint would be made for such reasonable taxation upon income for the privilege of doing business, as good judgment and fairness would suggest.

Digest of Recent Insurance Decisions.

FIRE.

CASH VALUE OF MANUFACTURERS' GOODS—MARKET VALUE AND PROFITS.—We find in a recent issue of the *American Law Record* of Cincinnati, a report of the decision of the referee in a dispute as to the construction of a policy with reference to the cash value of manufactured goods. It was claimed by the insurers that the insured were to be paid only the actual cost of the goods by themselves as manufacturers. The insured claimed the market value of the goods at the date of the loss. The books of the firm showed the actual cost of the production of their goods, exclusive of insurance, taxes, interest and allowance for personal services of members of the firm. About 22 per cent. was added as profit, and this established the market price. The insurers contended that this 22 per cent. was profit, and that profits are never embraced in a policy in the ordinary form, but must be specially insured as such. The referee ruled in favor of the plaintiffs. He said: "The general rule does not apply to the case. In the absence of special stipulations in the policy as to the measure of indemnity, the market price alone is to be resorted to. Hence, where goods have been destroyed, the insured has always been allowed, and has been restricted to, the recovery of the mar-

ket value, as being the money value of the property. He is allowed to recover the market value without reference to the cost to him of the property. It follows that allowance of the market value is not allowance of profits, although the goods may have cost less than the market price at the time of the loss.

"It only remains to inquire whether any of these policies contain special stipulations which take them out of the operation of the general rule. It is claimed that such a provision is contained in the following words: 'No profit or advantage of any kind is to be in any such claim.' We have seen that the recovery of market value, without reference to cost, is not inconsistent with the rule which excludes profit. If such recovery is not inconsistent with a rule of construction of policies generally, which excludes profits, it can not be inconsistent with a stipulation which is to the same effect. The policy provides for the payment of a sum based upon 'actual cash value.' This is the market price. No 'profit' is made by the insured by the destruction of the property, for which he receives only the 'value.'

"These policies call for an actual fixing of an actual cost at the time. Counsel for the insurers, feeling the force of this consideration, has argued that the cost of producing the goods destroyed, fixes the cost of reproduction. But this cannot be. The cost of manufacture in January may be radically different from the cost in July.

"The insurance companies have the sanction of the opinion of Mr. Wood, in his work on Insurance (Section 458), for the view which they maintain irrespective of the peculiar language of the policies in question. He states his opinion to be that in all cases of manufactured goods in the hands of the manufacturer, the actual cash value is the cost of production, excluding interest upon the investment in plant. He states it as a mere suggestion, and admits that there is no authority to support it. It would be strange, indeed, if a rule existed, or could be established, which would require a different construction of the same policy, when held by a manufacturer from that which it would receive when held by a merchant, and the fact that no sanction for the opinion can be found, at this day, in any decided case, is strong, if not conclusive evidence of its unsoundness. The rule that 'cash value' means 'market value' is directly opposed to this opinion, and this is so firmly fixed in law, and in the minds of business men, that clear stipulations should be required in a policy where a different result is to be attained."

VACANCY.—Dwelling was occupied by a tenant under a lease for one year. He removed his household effects, leaving an oil can and a barrel containing bran. He did not intend to return. That night the house burned. *Held*, That the condition that the policy shall be void if building insured "be vacated or left unoccupied" avoids the policy, although the vacation of the house results from the permanent removal of tenant during running of his lease, without the knowledge or consent of the landlord. *Held*, That the leaving behind of the bran and the can did not prevent the avoidance of the policy, and that the length of time between the vacation and the fire was wholly immaterial.—*Farmers' Ins. Co.* v. *Wells; Ohio S. C., January* 20, 1885.

AGENCY OF BROKER—NOTICE OF CANCELLATION.—A sash and door factory was insured through the agency of brokers. The question at issue was whether the brokers were agents of insured or the company. A stipulation in the policy provided that only such persons as held commissions from the company would be deemed its agents. Notice of cancellation was given, directing the brokers to charge the return premium to the company. The brokers owed the company a larger sum. *Held*, That no agency existed authorizing the brokers to accept a notice of cancellation. *Held*, That cancellation could not be effected by directing agent to charge up the unearned premium against his debt to the company.—*Indiana Ins. Co.* v. *Hartwell; Ind. S. C., March* 9, 1885.

FILING POLICY OR COPY.—The failure to file either the original or a copy of the pol-

Northwestern Mutual Life Insurance Company,

OF MILWAUKEE, WISCONSIN.

Assets, January 1st, 1885, $22,528,970 52.

During the 26 years since the Company commenced business, it has paid to the representatives of its deceased policy-holders for death losses, $12,232,996 11

And to its living policy-holders for dividends, matured endowments, surrendered and lapsed policies, - 21,902,047 01

Total,	34,135,043 12
Add present assets,	22,528,970 52
Amount paid to policy-holders and held for them,	56,664,013 64
Total Premiums received,	48,637,921 19
Excess of Assets and payments to policy-holders over premium receipts,	$8,026,092 45

From the above statement it will be seen that the Company has paid to policy-holders, and has invested for them, more than eight millions of dollars in excess of the entire premium receipts.

Dividends to Policy-Holders in each of the past twelve years unequaled by those of any other Company on similar policies.

H. L. PALMER, President, *WILLARD MERRILL, 2d Vice Pres.*

J. W. SKINNER, Sec'y. *EMERY McCLINTOCK, Actuary.*

R. W. ABBOTT, Gen'l Agent for California.

215 SANSOME STREET,

RICHARD K. ALLEN, J. HENRY SMITH, } Special Agents.

SAN FRANCISCO.

icy of insurance constituting the cause of action renders the complaint bad on demurrer.—*Ibid.*

PAROL CONTRACT.—The agents agreed to bind four of five defendant companies to the amount of $12,000 of insurance, and notified plaintiff to that effect in writing, without specifying anything about distribution of the risk among these companies. After a loss of the property the agents wrote in each of defendant companies, dividing the amount into five equal parts, but learning of the loss, refused to deliver the policies. *Held*, That plaintiff has no claim, at law or in equity, against defendant not mentioned in the parol agreement. If no companies had been named in the agreement with plaintiff, she might have held those which the agents intended to act for, and the subsequent writing of policies would be evidence of the intention. *Held*, That the agreement to pay the premium at the rate specified was a sufficient consideration to make the agreement a binding contract. Generally, whatever is agreed to be done is, in equity, considered as done. Agreement to insure may in equity be treated as insurance. *Held*, That the four companies named by the agents are liable under the parol contract.—*Fitton* v. *Fire Ins. Asso'n and others; U. S. C. C. of Vt., July* 10, 1884.

PREFERRED CLAIM OF CREDITOR.—Tobacco belonging jointly to tenant and landlord was insured, the loss payable to them jointly. The tobacco was burned, and the tenant's creditors garnisheed the insurance agent. The landlord also sued the tenant for a balance due, and claimed the preference over other creditors. *Held*, That the landlord was entitled to the preference. His interest embraced an insurable interest in the tenant's half of the tobacco to the amount of the indebtedness. The policy taken out in the names of both jointly ought to stand on the same ground, so far as that interest is concerned, as a policy taken out by a mortgagor for the benefit of a mortgagee, payable to him in case of loss. *Burrett* v. *Berry; Louisville (Ky.) S. C., April*, 1885.

ESTOPPEL—NOTICE OF INCREASED RISK.—Payment of a loss was refused on the ground that assured had concealed the existence of an incumbrance on the property, and that he had erected a building near that insured, without notifying the company. *Held*, That the company was estopped from setting up as a defense the failure to disclose the incumbrance, because subsequent consent was given to a new mortgage in satisfaction of the old one. *Held*, That the erection of a second building fifty feet away was not a change in the premises of which notice should be given in order to continue the liability of the company.—*Losch* v. *Lebanon Mutual Ins. Co.; Penn. S. C., March*, 1885.

MARINE.

SEAWORTHINESS.—In every case of marine insurance there is an implied warranty of seaworthiness on the part of the insured, and if the vessel is not seaworthy the policy does not attach. This warranty of seaworthiness is a condition precedent, the performance of which must, to entitle the plaintiff to recover, be alleged and proved by him; and if it appears that the vessel shortly after sailing became leaky, unfit to perform the voyage, or sank without encountering any peril or storm, this is presumptive evidence of unseaworthiness. Where a vessel within twenty-four hours after she started, without any apparent cause or reason, sinks at the dock where she was moored, notwithstanding the fact that she performed other voyages safely, cannot be held to have been sound and seaworthy.—*Van Wickle* v. *Mechanics' Ins. Co.; N. Y. C. of A., Jan.* 25, 1885.

JETTISON.—The captain threw ten carboys of sulphuric acid overboard. Policy clause read "free of average, excepting in case of stranding, collision and fire." As the captain saw a fire after breaking some of the carboys, plaintiff claimed that the last of the conditions of the clause had been realized. *Held*, That sulphuric acid, although highly carrosive and dangerous to handle, is not inflammable, and would rather extinguish than cause a fire. The insurer was not liable.—*French Court.*

SPECIAL INDORSEMENT—TOTAL LOSS—CONTINUANCE OF RISK.—A clause in the policy provided that its general language should be controlled by indorsements of special risks as made from time to time. All articles except perishable goods were warranted free from average unless general. The boat arrived at its port of destination with cargo entire and in good order, but while unloading, the boat sank with the remainder of the cargo. This cargo (potatoes) was insured in the name of plaintiff's assignor, by indorsement, "f. p. a." *Held*, That the contract exempted the insurers from payment of any loss not total. The loss was not total, because a portion of the insured cargo had been unloaded. *Held*, That the clause in the original policy covering any part of the subject insured, and continuing the risk until the goods were safely landed, would, unexplained and unmodified, require the payment of a loss of any part of the cargo, and would continue the insurance over the entire cargo until it was insured; but the special indorsement exempted the insurer from liability for a partial loss.—*Chadsey* v. *Guion; N. Y. C. of A., Jan.* 15, 1885.

ABANDONMENT—ABSOLUTE TOTAL LOSS—INSURABLE INTEREST OF MORTGAGEES.—Plaintiffs agreed with C & Co. to advance £2,000 on a mortgage on a vessel, the mortgagees agreeing to effect an insurance at the expense of the mortgagors. The policy was to be held as part or the security for money advanced. The vessel being old, an insurance against total loss could only be effected. She encountered tempestuous weather, collided with a steamer, and was driven ashore, sustaining serious damages. C & Co. notified plaintiffs (mortgagees) that they intended to look to them as if they were the insurers of the vessel. Plaintiffs had notified C & Co. that an insurance had been obtained, they having received one offer at a high rate. This offer they neglected to accept, and subsequently, as stated, were able to obtain insurance against a total loss only. C & Co. sued the mortgagees (plaintiffs) and recovered over £2,000 against them in respect to their liability for the loss of the vessel.

The case of plaintiffs was a peculiar one, involving legal points not heretofore passed upon. Notice of abandonment was given to defendant company. A constructive total loss was admitted by the latter, and the vessel was subsequently sold, after exposure many weeks while stranded. The sale had the sanction of the company. When this suit was begun, plaintiffs had indemnified C & Co. for the loss of the vessel, and their mortgage had been paid, although at the time of the sale the plaintiffs were still mortgagees of the ship.

Defendants contended, first, that plaintiffs had no insurable interest; second, that there had been no absolute total loss within the meaning of the policy. If the insurance was effected for the benefit of the mortgagees, it was contended that their mortgage of the ship had been paid off; if effected for mortgagors, then the insurance only against absolute total loss was not in fact that which they authorized plaintiffs to effect. If insurance was effected for both mortgagors and mortgagees, it was contended that plaintiffs could not recover under the policy, as that which protected the interests of neither mortgagors nor mortgagees could not protect the interests of both.

Held, That the policy sued upon covered the ship, and plaintiffs were under no obligations to state the nature of the interest they held in her. Further, there was no ground for saying that the mortgagors had not sanctioned insurance effected by plaintiffs. C & Co. did not intend to exonerate underwriters from their liability; they simply ceded all their rights under the policy to their mortgagees, the plaintiffs, and looked to them as the insurers of the ship. *Held*, That the plaintiffs had an insurable interest. Defendants' witnesses endeavored to show that the words "absolute total loss" ought to be given a peculiar meaning. *Held*, That the words must be taken in their ordinary meaning, and "absolute total loss" must be construed in contradistinction to constructive total loss. Defendants' liability was not affected by notice of abandonment. The owner was not required to give notice of abandonment. Defendants having urged that the loss was only a con-

structive total loss, and was in fact owing to neglect of plaintiffs, the exposure of the ship after stranding finally making it a complete wreck, and therefore there was no liability under the policy, it was held that as the ship could not have been repaired at any reasonable expense, the owners were not called upon to throw away their money. *Held*, That the company was liable under the policy, the ship having become a complete wreck.—*Levy & Co.* v. *Merchants' Marine Ins. Co.; Q. B. D., Eng., Jan.* 24, 1885.

LIFE.

PAYMENT OF PREMIUM BY A DISHONORED BILL.—Policy being conditioned to be void if the annual premium, or any obligation given in payment thereof, should not be paid at maturity; and the annual premium being paid by a foreign bill drawn by the party insured, with a condition that if not paid at maturity, policy should be void; *Held*, That the forfeiture was incurred by non-payment of the bill, on presentment at maturity, without protest for non-payment, although protest might be necessary to fix the liability of the drawer. *Semble*, if it had been the bill of a stranger, protest would have been necessary for the forfeiture also. Presentment and non-acceptance of the bill before maturity, without protest, did not dispense with presentment for payment, in order to produce the forfeiture. Want of funds in the hands of the drawer was no excuse for not presenting the bill, if drawer had reasonable expectation to believe that it would be accepted and paid.—*Knickerbocker Life Ins. Co.* v. *Pendleton; U. S. S. C., Jan.* 5, 1885.—*Ins. Law Journal, March.*

PROOFS OF DEATH.—Preliminary proofs of death are not required if the insurer, on being notified thereof, denies liability altogether, and declares that the insurance will not be paid.—*Ibid.*

SUICIDE — TAKING POISON BY MISTAKE.—Evidence was not clear that insured committed suicide, and the jury found for plaintiff. Prussic acid was found in the stomach of deceased, but there was no evidence that the poison was taken designedly. It was argued that whether taken ignorantly or designedly, it was immaterial under a stipulation in the policy voiding it if death was voluntary or involuntary suicide. The jury were instructed that in order to reach a verdict for defendant they must find that insured took the poison knowingly. Defendant urged that such instructions were erroneous, but the lower court was sustained, it being held that where a man dies by his own hand, through mistake or accident, it cannot be seriously maintained that the policy would be voided under the aforesaid "voluntary or involuntary" suicide clause. *Held*, That death resulting from poison taken by mistake is not within the provision of a policy, that it should be void in case of death "by suicide, whether the act be voluntary or involuntary."—*Edwards* v. *Travelers Life Ins. Co.; U. S. C. C., N. D. of N. Y., June* 27, 1884.

PROOFS OF DEATH. — Where plaintiff is misled by defendant in regard to furnishing of proofs, and no objections are made to their tardiness when received, the company cannot set up, at the trial, that they were too late.—*Ibid.*

INSURABLE INTEREST — ASSIGNMENT — A STRANGE DECISION. — One Dickson insured his life and assigned the policy to his "best friend," one Scott, who was not related to him, but was surety for him on an official bond. Dickson died, having faithfully performed his official duties, thus releasing his surety. After his death, Scott learned for the first time of the assignment of the policy to him. A test case was made to determine the ownership of the insurance money. The lower court entered judgment for Dickson, administrator and brother of deceased. Scott appealed. *Held*, That one who is surety on an official bond has an insurable interest in the life of the principal obliger, although no default be ever made by the principal. *Held*, That the transaction, although in form an assignment, was in reality an original insurance for the benefit of Scott, and that on Dickson's death, Scott was entitled to receive the proceeds of the policy. — *Scott* v. *Dickson, Adm'r; Penn. S. C., Jan.* 5, 1885.

TITLE TO WIFE'S POLICY — RIGHTS OF CREDITORS. — An endorsement policy payable to the insured was for the benefit of the wife in case of prior decease of insured. Afterwards insured assigned all his property for the benefit of creditors, and died before the policy matured, leaving the wife surviving. *Held*, That in a contest between the widow, administrator, and assignee, the case was a proper one for interpleader. *Held*, That the laws of New York, the domicile of the parties, must apply. *Held*, That the premiums not having been paid in fraud of creditors, the widow was entitled to the fund.—*Keller* v. *N. E. Mutual Life Ins. Co.; N. Y. S. C. — Ins. Law Journal, April.* (Impleaded with administrator, assignee, etc.)

Superintendent McCall on the Record of the Old Line Life Insurance Companies.

In his annual report to the New York Legislature Mr. McCall, the Insurance Superintendent of the State, refers to the grand record made by the regular life insurance companies as follows:

"The companies present a financial growth that stands unrivaled in the history of monetary institutions, and with a prospect of continued prosperity that will scarcely admit of comparison. The payment of $897,272,182 to beneficiaries, and an invested account of $491,487,719, entitle the trustees to a reward which no personal expression will compensate. The achievement of this grand success belongs to no one who has passed away, for the men who are identified with it continue to labor unceasingly in their trust. It is such an easy task to criticise the companies without cause, that it is not a surprise to find so many critics; the wonder is that there should be a limit to their number. But so it is, when either individuals or corporations have succeeded in business, the professional carper prepares himself to hint—for his own safety it never gets beyond an innuendo—that something must be wrong. The corporation receiving its chartered life from the State, and depending upon it for its existence, unlike the individual, is subject thereby to an attack by a method which admits of no redress, notwithstanding the maliciousness and evil motive of its originator may be, and generally is, as evident as the noonday sun.

"Within the companies there is no discontent to be found. The trouble is with those who are not within them, but want to be. Nevertheless, the organizations will doubtless continue to add new members and command patronage at home and abroad. It is not to be assumed that they will ever be free from imputation and harassment, even if they continue their wonderful improvement in resources and public confidence, unless, indeed, there should be like progress in human nature, and a corresponding decrease in the wants of man."

A Racy Reply from Lively Lee—Tarts for the Boys and Taffy for the Review.

DEAR COAST REVIEW—It is no flattery to say that you are the best insurance journal on the continent of America. It is the unvarnished truth. But you remind me of the old salt's definition of our epicure: "A bloody lubber who can eat anything." You give us a monthly digest of all the news, and concentrate about all the insurance wisdom afloat, and at the same time interlard it with all the gush and infantile twaddle that we locals can work out of our addled brains.

A TRIFLE PERSONAL.

I was inveigled into writing a paper for the last meeting of the Fire Association of the Pacific. I knew that President Sexton would touch up Results and Losses and Expenses, etc., and perhaps suggest something. I knew that H. M. Grant or some of his committee would tell all about locals and brokers, and that Faymonville would rehash all the Forms of Policies, and that Brother Fenn would give us a dose on Losses and Adjustments. I knew that Grant would be orthodox and truly goody good, on the dear local, and that Faymonville would be so utterly precise that every "t" would be crossed twice, for fear the first wouldn't count. I knew that they would all preach

the same old true religion, and be thoroughly orthodox. I tried to get at the business with a club, and I lied one moment and promulgated a profound and original truth the next; and so between the two, I said something. I tried to emulate Beecher and "knock the socks" off some old idea—and I did.

WHAT THEY SAID.

I got into the COAST REVIEW, of course. I got called an "iconoclast" and a "slasher" by the *Commercial Bulletin*. Half a dozen Managers and specials pronounced that "You caunt do it, you know; you caunt do it." One said I stole it from Hopkins; another said it was suggested by the President of the Germania; and one old shellback company's Manager wrote me that they had been preaching the same ideas for half a century. Kinne smiled one of those diamond cut diamond smiles of his, and Bromwell called him—he always does—and Sexton, as usual, stood "pat," and said it was true—that is, all the truth was. Staples (J. W.) didn't say anything; his whole soul was with Spencer and Stillman, concentrated on the "feed" at Maison Dorée.

THE LOS ANGELES LOCAL IN CHANCERY.

I heard all this, and it left an aching void—because nobody got mad. But now I am filled to overflowing, for here comes the April COAST REVIEW, and in it an essay from an innocent local at Los Angeles, who evidently desires to curry favor with ye Managers and specials. He thinks they have all been insulted, and he is just the fellow who is not going to permit it with impunity. My dear McL, none of my Managers or specials took umbrage at my article, and if any of yours did, tell them to come into Lee's camp and shake. I am perfectly willing to forgive them for getting on the wrong track. They always do. Every last one of them knew that

I TOLD THE TRUTH.

They knew that the paper was solid sense clear through, and they intend to put it into practice some day, but not until the losses are two or three hundred millions per annum, and one-half of them are "busted." They know, and so ought you, that under the present system they are accomplishing nothing particularly smart—except lose money. My dear McL, they are all waiting anxiously for you to tell them some better plan than mine. Therefore give them something easier. Don't be backward or mince matters or be particular about your style. Good plain English will do—a sort of *multum in parvo* idea—if you have one—will fill the bill. The handwriting is on the wall, my dear boy, and it is the same old "Mene, mene, Tekel"—and some kind of a reform must come.

If you know anything, you know that a large percentage of all

OUR IMMENSE FIRE WASTE

is *made* by agents who are too busy with other things to give insurance the proper attention. The whole system is wrong, and if you can't see it, you must rub up a little and get down on to the same level with such small fry as Superintendent McCall, and yours truly.

THE PROPER PLACE TO TRY THE PLAN.

The "City of Angels" would be exactly the place to first put my (?) plan into operation, and the man is there who can handle it. Red Bluff is not to be thought of for a century yet. We have twenty-one agents in this county, and they are a jolly band of brothers. And if you could only see the ease and grace with which they make a "short bit" cover the space usually occupied by a dollar, you would never think of suggesting any regulation whatever for them. We can get along and be entirely lovely under any system. Our only worry is about you outside fellows, and the managers and companies.

Get my paper in full in the Proceedings of the Underwriters' Association and read it over carefully every day for a year. Then come and see me. But don't write any more letters to the COAST REVIEW unless you say something. I can't talk at nothing, and haven't time to split hairs on style or diction. The poetical sentiment that is born in the orange groves, and permeates every alley and by-way of ancient Los Angeles, has no place in our profession. Hard

metallic facts and figures are our proper diet. Stick to the text—that's business.

Very truly yours,

B. B. LEE.

Progress of Life Insurance in the United States.

We append a table showing the progress of life insurance in the United States since 1859, as illustrated by the companies reporting to the New York Insurance Department. The gains made in 1884 were highly creditable, the twenty-nine companies adding forty-five thousand to the number of policies in force, twenty millions to the gross assets, and over a million and a half to the net surplus. These gains were made during a period of great commercial depression, with an absorbing, exciting Presidential campaign added as an element unfavorable to business and especially prejudicial to life insurance. These gains, under the circumstances, are more than usually encouraging.

The wonderful progress made in the last twenty-five years is best shown by a contrast of the salient figures for 1859 and 1884, as follows:

Year.	Policies.	Assets.	Surplus.
1884.....	$750,567	$491,487,719	$81,811,191
1859.....	49,608	20,536,084	5,071,148
Gains	$700,959	$470,951,635	$76,740,043

There are now fifteen times as many policies in force, the amount of the insurance in force is about fourteen times as great, and the assets are nearly twenty-five times as much. This is a record that is indeed worthy of being called marvelous, and the admiration and confidence due an institution presenting such evidences of worth and stability are strengthened when it is reflected that these twenty-five years embrace four years of bloody civil strife, and numerous panics which brought bankruptcy to thousands, hard times to all, and discredit to life insurance by the failure of forty companies.

Referring to this table, Insurance Superintendent McCall says that it "presents a monument of the progress of the business that will endure with time. It has strength enough from foundation to cap-stone to resist all efforts to deface it, and it will last when men pass away."

YEAR.	Number of companies.	Number of policies in force.	Amount of policies in force.	Gross assets.	Gross liabilities except capital.	Surplus as regards policy holders.
1859.....	14	49,608	$141,497,977 82	$20,536,084 58	$15,464,936 44	$5,071,148 14
1860.....	17	56.046	163,703,455 31	24,115,686 85	17,159,873 46	6,955,818 39
1861.....	17	57,202	164,256,052 44	26,670,397 04	18,278,402 40	8,391,994 64
1862.....	18	65,252	183,962,577 43	30,123,331 75	23,791,458 70	6,331,873 05
1863.....	22	98,(95	267,658,677 22	37,838,190 10	28,665,153 70	9,173,036 40
1864.....	27	146,729	395,703,054 77	49,027,297 40	34,718,230 66	14,309,066 74
1865.....	30	209,392	580,8[illegible]2,253 46	64,232,123 24	46,341,499 26	17,890,623 98
1866.....	30	305,390	865,105,877 24	91,587,027 97	65,588,522 76	25,998,505 21
1867.....	43	401.140	1,161,729,776 27	125 548,951 40	88,597 422 36	36.951,529 04
1868.....	55	557,594	1,528,984 685 32	175,262.329 71	135,806.958 19	39,4[illegible]5,371 52
1869.....	69	656,572	1,836,617,818 97	227,67,025 757	180,313.971 36	47,453,054 21
1870.....	71	747.807	2,023,884,955 00	269,520,440 76	221,032.146 22	48,488,294 54
1871.....	68	785,360	2,101,461,834 00	302,558,199 23	254,551,781 19	48.[illegible]06,418 04
1872.....	59	804,444	2,114,742,591 00	335,168,542 70	288,327,106 78	46,841,435 92
1873.....	56	817,081	2,086,027,178 00	360,140,684 49	311,550,927 62	48,589,756 87
1874.....	50	799,534	1,997,236,230 00	387.281,896 81	328.392,551 70	58.889,345 11
1875.....	45	774,625	1,922,043.146 00	403,142,981 58	342,330,952 36	60.812,028 72
1876.....	38	706,179	1,735,995,190 00	407,406,332 53	346,279,780 46	61,126,552 07
1877.....	34	633,096	1,556,105,323 00	396,420,590 79	334,816,492 57	61,604,098 22
1878.....	34	612.843	1,480,921,223 00	404,079,144 75	339,585,626 30	64,493,518 45
1879.....	31	595,486	1,439,961,165 00	401,515,793 05	336,238,071 30	65,217,721 75
1880.....	30	608,681	1,475,995,172 00	417,951,009 31	346,389,340 02	71,561,669 29
1881.....	29	627,265	1,539,848,581 00	429,277,459 60	356,864,296 31	72,413,163 29
1882.....	29	661,458	1,637,648,872 00	449,602,347 17	372,850,956 44	76,751,390 73
1883.....	29	705,659	1,763,730,015 00	471,805,920 77	391,507,827 48	80,298,093 29
1884.....	29	750,567	1,870,728,059 00	491,487,719 35	409,676,528 19	81,811,191 16

A Property-holder Who Favors the Compact System.

It is not an easy matter to satisfy the insuring public that a combination of fire insurance companies operating under a general compact can be anything less than a monopoly. The conclusion is that the combination is for the purpose of imposing exorbitant rates, and this erroneous idea provokes a great outcry and much bitter feeling. The truth is that the compact system is of great value to property-holders.

Aside from the perfect indemnity assured by adequate rates and a reasonable competition, it is the special work of compact organizations to adjust rates fairly and to reduce them by reducing the physical and moral hazards. The possibilities for good in this direction alone are perhaps not fully appreciated by insurance agents themselves. It is this saving feature of the system which especially commends the compact to the favor of the public. It is the average fire loss that determines rates; and the regular inspection of risks, the alterations diminishing the physical hazard, and the useful suggestions by experienced managers, which follow the introduction of the compact system in a community, will materially reduce the volume of losses in time, and secure to property-holders the lower rates they could not possibly obtain so long as disorganization and a wild struggle for business stimulated overinsurance and incendiarism, and encouraged the reckless acceptance of poor risks, thus multiplying losses.

Many intelligent property-owners now recognize the value of the compact, and welcome it as a conservative agent designed to promote the interests of the assured and preserve the financial integrity of the companies. A refreshing admission to this effect recently appeared in an Omaha daily, in a card by Mr. C. F. Goodman, a merchant of that city. He states the case so fairly and clearly that we reproduce his card in full, as follows:

To the Insurance Companies — Permit me to extend to the insurance companies in the Omaha Compact, my thanks for the interest taken and the valuable suggestions made by both companies and their managers, by which I have been enabled to so arrange my wholesale and retail drug stock so as to reduce my rate of insurance nearly one-half. With others of my fellow-citizens I have regarded the insurance companies as a pool or monopoly organized for the purpose of forcing upon us excessive rates; when my rate was made four per cent. I resolved to withdraw my business from and exert my influence against all compact companies. Visiting the manager to declare my intention, I soon learned the cause of the high rate—the great hazard carried by the companies, and the remedy was clearly pointed out and appealed to my judgment and was at once adopted. I then more fully learned what my experience corroborated—that the companies were not laboring for higher rates, but for better risks and more uniform and consistent rating—urging improvements, facilities for extinguishing and guarding against fires, aiding us in protecting ourselves against the carelessness of owners and occupants of exposing risks, enforcing correctly-worded and concurrent policies, and applying to the business of insurance the intelligent experience of the companies for a hundred years, instead of leaving it to the ignorance of new and inexperienced agents clamorous for commissions.

All reforms or work for the public good require concert of action, and whatever tends to increase our safety, improve our city and place us under correct business principles, is work for the public benefit, and this is the object of the compact.

I am now fully convinced that it is for my interest and that of every business man in Omaha to aid the compact companies in their good work and discourage and discard all companies and agents who will not co-operate. Hence, I desire to give them this word of encouragement.

"Mum's the Word."

It does not require very strong vanity to persuade men to say nothing about impositions practiced upon them by shrewder men or by cunning rogues. The most voluble of men have still tongues when to confess that they have been "sold" means derision. Even the sense of duty that may prompt them to expose and denounce clever rascals and plausible schemes appeals in vain, usually, if the penalty is the laughter of their fellows. This wounded self-esteem greatly aids co-operative insurance enterprises. The man who has been "bit" keeps still. He is ashamed to admit that he was so easily gulled by some self-endowment or marriage-endowment or other assessment life insurance humbug. Some of the victims, who are philosophically inclined, argue that the loss of the money in-

vested in these frauds teaches a valuable lesson of distrust, and thus they ease the twinges of a conscience that upbraids them for not sounding a warning. "Goodness knows," insurance journalists are provided with plenty of damaging testimony against co-operative insurance, but if it were not for this natural phase of weak human nature, they would be overrun with the complaints of the unfortunate men who have frittered away money in paying co-operative assessments.

High Salaries.

The enemies of life insurance refer to the "extravagant salaries" paid the principal officers, and the co-operative agents and solicitors never fail to employ this "argument." As they present the matter, the prejudice of envious and ignorant minds is evoked. The facts are, that the salaries paid the prominent, responsible officials of the regular life companies are simply liberal—such salaries as business talent and sound reputation command everywhere. The men who direct the complicated affairs of the great companies, and handle and are responsible for the vast accumulations entrusted to them, are necessarily men of invaluable character and rare financial ability, who in other pursuits would receive the same or greater compensation for their services. Business brains have a market value, and whoever employs them must pay for them.

With the co-operative societies the case is altogether different. They do not require brains, nor do they—or their members—even demand character of the managers. The management of a co-operative does not need any more financial skill than that of the sexton who takes up a collection for the heathen. Notwithstanding this fact, no life insurance company in the world pays such salaries as the Mutual Reserve Fund Life Association of New York pays, and with perhaps one exception, no President of a regular life company is in receipt of so large a salary as the co-operative President, E. B. Harper. That possible but not probable exception is the President of the Mutual Life Ins. Co. of New York, who is responsible for the investment of over $103,000,000.

Fire Department and Water Supply.

[A paper by Edward Brown, read at the ninth annual meeting of the Underwriters' Association of the Pacific.]

The subject of water-supply and of fire-appliances forms a very important branch of an insurance education, and we think you will agree with us that but little attention is paid to the branch. Agencies are planted, rates are named, lines are assumed with reference more to the construction of buildings in a town than to the facilities for extinguishing fires. This should not be so. Brick buildings will burn, the handsomest and most solid structures will crumble to ashes unless the means for bringing water are in proportion to the size of the town and to the character of the buildings therein. Lofty buildings are put up in places where the pressure at the hydrant is insufficient to throw a stream over an ordinary two-story structure, and where the only chance of fighting fire comes from the ill-directed efforts of untried volunteer fire organizations, and where the fire must rage unchecked until the cold water in the boiler of the engine can be converted into steam, a process necessarily involving the waste of much valuable time, during which process the incipient fire has attained a headway which renders it far beyond the control of the limited fire appliances at hand.

If managers and their field men are so careless in respect to the subject of fire protection, it cannot be expected that local agents will be very well informed, but the ignorance of the average local as to the condition of the water supply, the pipes, hydrants, etc., in his own town is something astounding. All he knows is that there is a water company, that it has pipes of some kind laid down, and that the engine, or hose company, as the case may be, gets water when necessary. He has water in his own yard and kitchen; if he lives in a modern built house, in the bath-room up-stairs. Further than this he never inquires. The idea that it is part of his duty to examine into the adequacy of the protection afforded, and, if the system be found insufficient, to

do whatever may be in his power to remove the evil, is an idea which has not entered his mind.

There are many noted exceptions, though, and we have found local agents thoroughly well informed, able to point out where the protection is insufficient, and quite accustomed to make use of their knowledge as an argument in favor of insurance. Several of the reports which your Committee has received prove that they have been written by competent judges, fully posted on the subject matter.

Your Committee sent out letters of inquiry to a number of the interior towns asking for information. A synopsis of the replies we now proceed to give, premising that it was not thought necessary to say anything about the fire departments and water supplies of San Francisco, Sacramento, Oakland or Portland. There are extensive reports extant of the protection afforded to these four cities, to which access can readily be had. It might be proper to say that the report on San Francisco, written in 1878, demonstrated that this city has a better and more effective water supply than probably any other large city in the Union. The same report pointed out one or two very weak spots in the system, and the committee making that report were promised by the Spring Valley Water Company that any defects in their system should be remedied at once, providing the expense in so doing was not too excessive. The committee showed that the distributing pipes in that portion of the city south of Market street were far too small, and that not only the pressure at the hydrant in consequence was materially reduced but that there was an insufficient amount of water to fight a large fire. The defect is a very serious one. That portion of the city is closely built up, contains most of our manufactories, many large and valuable blocks of business property, and is the home of a large population. The water company has done nothing, and the situation is even worse to-day than it was seven years ago.

Some agents applied to for information have failed to respond, and the list is not as complete as we would have liked to have made it. The first place your attention is called to is—

LOS ANGELES.

This town is very fairly protected, and when the improvements in the pipes now contemplated shall have been made, there will be but little to find fault with, except that the number of engines is insufficient for the size of the place. There are two steam fire engines, three hose carts, 2,000 feet of hose, one Babcock hook and ladder truck. The town has a telegraphic alarm. The water supply is ample—one reservoir holding 10,000,000 gallons and one holding 500,000 for the supply of East Los Angeles. There are other reservoirs, holding together about 5,000,000 gallons, for the supply of the hilly parts of the city. The main supply pipe is of 22 inches diameter. The distributing pipes are small in size, but are being replaced with larger ones. At present there are eighty-three hydrants, but fifty new ones are being put in. The average pressure at the hydrants is about forty-five pounds.

SAN JOSE

has four steam engines, six hose carts, about 4,500 feet of hose of all grades, with fire alarm telegraph not owned by the city. Water supply is uncertain and insufficient for a place of the size. It is taken from Los Gatos Creek and flumed into a reservoir below Los Gatos, holding about six days' supply, from whence it is brought to a smaller reservoir three miles from San Jose, and at an elevation of only 80 feet above the center of the town. From there it comes through a 16-inch supply pipe to San Jose and Santa Clara. The company have two storage reservoirs above Lexington, each covering about seven acres in extent and of an average depth of 21 feet, from which they draw when the water in the creek is low. In dry seasons they pump from artesian wells into two large tanks having an elevation of about 80 feet. The main pipes are of 11 inches diameter; distributing pipes, six, five and four inches. There are 114 hydrants. This number, considering the great area of the town, is insufficient. The pressure at the hydrants is about 25 pounds. The department is a paid one, but is not so efficient as it should be,

owing to the low salaries paid. The Chief gets only $50 per month, and is compelled to work at his trade to eke out a living. Engineers and drivers get $80, but the latter have to furnish their own horses.

STOCKTON

has three steam engines and one Babcock, 3,605 feet of good hose, 23 fire alarm telegraph boxes. Water supply quite inadequate. It is pumped from two artesian wells and a number of small bore wells into two 50,000-gallon tanks, elevated 72½ feet from the ground. There are no hydrants, and the engines get their water from cisterns, of which there are 37 of small size, some filled by three-inch pipes from the water works and some from springs. This town is probably the most unprotected of any large town on the Coast. It needs a large main from the pumping works leading to and through the business part of the town, with hydrants at the crossings, also more cisterns and of a larger size.

MARYSVILLE

has three steam fire engines and 2,700 feet of hose. Water supply is derived from two 12-inch artesian wells, one 80 feet in depth, the other 180 feet, from which the water is pumped into tanks holding 150,000 gallons. The pumps have a capacity of 70,000 gallons per hour. Like Stockton, this town has no hydrants, but has 21 cisterns of large size, stated to be capable of holding 30,000 gallons each.

SANTA ROSA

has one hand engine, out of service, two hose carts. Water supply is good, and derived from large storage reservoir 1½ miles from town, but at an elevation of about 80 feet only. The supply pipe is 15 inches in diameter, the distribution pipes are 11, 7, 5, 4 and 3 inches diameter respectively, hydrants 23 in number, pressure 30 pounds. The hydrants are altogether too few for a town of the size of Santa Rosa, and the pressure is insufficient without the assistance of a good steam fire engine.

NAPA

has one hand engine, one hose company, 1,850 feet of hose, eight Babcock extinguishers. The water supply is ample, the main pipe is 12 inches in diameter, the distributing pipes are eight, six and four inches. There are 43 hydrants with a-pressure of 45 pounds at the outlet.

NEVADA CITY

is one of the best protected towns in the State, it has no engine, none being needed, it has two hose companies, with 2,000 feet of good hose. The water supply is abundant, coming from large reservoirs situated about 210 feet above the mean level of the town. The distributing pipes are generally of good size, but susceptible of improvement. There are 30 hydrants, and 5 new ones are being put in. The pressure at the hydrants runs from 75 to 160 pounds, and is sufficient to throw water over any building in the town.

CHICO

has two steam engines, and one hand engine, five hose carts, number of feet of hose not stated. The water supply is from the Holly System, pumping either direct into the tanks or direct into the mains; the mains and distributing pipes are eight, six and four inches diameter; of hydrants there are 32, cisterns 16. Pressure at the hydrants can be readily worked up to 100 pounds.

EUREKA

has two steam engines and one hand engine, 3,000 feet of hose. Water supply is inadequate, derived from artesian wells, from which the water is pumped into a 275,000 tank, from whence it flows through a ten-inch wooden pipe, with connections at cross streets. There are eight self-filling cisterns and six hydrants supplied by six inch distributing pipes.

SANTA CRUZ

has no engines, has two hose carts with 1,300 feet of hose. Water supply is very good indeed. There are several reservoirs of large capacity and an unfailing supply. The mains are eight and six inches in diameter, distributing pipes four and three inches. There are 45 hydrants, with an average pressure of about 45 pounds.

VIRGINIA CITY

is probably the best protected town for its size in the United States, possibly in the world; its water supply is inexhaustible. It

is brought from Marlette Lake, 18 miles distant from the town, by a flume and under the Washoe Valley through two iron pipes having a resistant power of 1,200 pounds to the square inch. This flume feeds three tanks for the use of the town, besides supplying all the hoisting works and mills. The tanks are 110x20x10 feet in size filled direct from the flume through eight inch connecting pipes. From each tank there is a ten inch pipe running into and through the town, with distributing pipes of sufficient size. Thus there are three distinct systems, which can be used separately or in connection with each other, just as desired. There are 83 hydrants, and the pressure from the mains is so great that it has to be regulated by gates. Hydrant streams can be thrown over the top of the loftiest building in town. The hoisting works and mills have independent systems, which can be used for protection of the town, if required. The fire department consists of two engines, two two-horse hose carts, two hand engines, with 7,000 feet of hose. The department is paid and is exceedingly efficient.

OGDEN

has one hand engine, 1,800 feet of hose, bell tower and watch. The water supply is excellent, taken from the Ogden River and led through pipes to a reservoir holding 500,000 gallons with a head of 125 feet above the town level. The mains are 12 and 8 inches in diameter, distributing pipes 6 and 4 inches. There are 35 hydrants with an average pressure of from 35 to 65 pounds.

HELENA

has two steam fire engines, one hand engine, three hose carts, 1,550 feet of hose, with 42 fire alarm boxes. The water supply is fairly good. It is being added to, and a new reservoir is to be built at an elevation that will give about 75 pounds pressure at the hydrants. There are 20 cisterns, supplied from flumes and pipes, and furnishing an almost inexhaustible supply; and 15 double hydrants.

SEATTLE

has three steam engines, one hand engine, 3,500 feet of hose. The water supply is inexhaustible. The mains are 12, 10 and 8 inches, distributing pipes 8 inches in diameter. There are 18 hydrants with an average pressure of 78 pounds. The town also has cisterns, and inclined planes have been constructed down to salt water, so that in case of fire in the lower part of the town, engines can draft from the bay, if needed.

VICTORIA, B. C.

Though only three offices are represented in this town, for their information we append the following. The town has two steam fire engines, two hand engines, five hose carts, 5,000 feet of hose. Water supply is ample, taken from two lakes having an elevation of 192 feet above the mean town level. The main from said lakes runs through the whole length of the town, is 12 inches in diameter. Distributing pipes are 5 inches. There are 11 cisterns and 52 hydrants, with an average pressure of from 46 to 60 pounds.

From the above statistics, it will be seen that the greater part of our towns are very fairly protected, but that in some cases the means for extinguishing fire are very inadequate. Whether it is the business of fire insurance companies to take such steps to improve the position in these few, and in other towns which have not been herein enumerated, or whether it is their business to take things as they find them, is a question to which there are two sides, and each side has its advocates in our ranks.

A BAD PRACTICE.

We cannot leave this subject without expressing the view that insurance companies, their officers and managers, should sternly set their faces against complying with the frequent request made to them to contribute towards the expense of furnishing or maintaining fire apparatus. It is our business to sell insurance, and to grade our prices therefor in accordance with the hazard of the subject to be insured. If a town be without protection of any kind, or be inadequately furnished, a much higher rate should be and usually is charged than if through the forethought and prudence of its residents it has been furnished with an ample supply of water and all appliances for the proper use of that water. In the latter case our charges for indemnity against fire loss are moderate,

and thus we contribute largely and directly, both to the first cost and to the maintenance of the protection provided. This is all that should be asked. On the other hand, whenever the public spirited citizens of a growing little town become awake to the fact that they are in daily danger, and cast about to raise funds to improve their position, then they turn to the local agents for contributions. The "local," not having been educated to understand the impropriety of the request, sees nothing unreasonable in it, and, anxious to attain the good will of his townsmen, immediately writes long letters to his companies, urging their compliance with the said request, invariably arguing that by so doing, such companies will find a largely increased business in proportion to their liberality. The general agent or manager, not having the stamina to say no, authorizes a subscription. Before long in comes a letter saying that Messrs. So-and-So and Mr. Such-a-one, whose policies are about to expire, demand a reduction in rates because of the greater safety of the property since the new fire engine—which he has helped to pay for—has been put in service. This is an old story familiar to us all. Two years ago, we think, the able gentleman who now occupies the chair of President of this Association, furnished a spicily written article on this very subject, in which he took the peculiar ground that the establishment of fire patrols was a great mistake, and a step against the true interests of the companies. His ideas met with but little favor then. New thoughts in opposition to preconceived methods usually fail to win approval. It is just possible that some of us have by this time come round to his way of thinking. We may have realized before this that the money which we so freely expended, has been chiefly effective in reducing the volume of business, and in cheapening the rates on the amount written. How many times in the last few years have we found a fifty thousand property carrying a twenty thousand line? How many times have our efficient fire patrol force spread their covers and kept down what would otherwise have been a total loss to a 40 per cent. damage, only for us to find that we have netted a 5 or 10 per cent. salvage, whilst the assured has escaped loss altogether?

Classification.

[A paper by Geo. W. Dornin, read at the ninth annual meeting of the Underwriters' Association of the Pacific.]

The subject of Classification is one to which I have given considerable thought during the past year, and it was probably a knowledge of this fact that prompted one or two of my friends to urge me to write this article. It has never been touched upon at any of our meetings, yet it is worthy at least of a hearing, and was first suggested as the topic for a paper by an article by a prominent Eastern underwriter, that appeared recently in one of our New York insurance journals, in which he says: "Most companies keep Classification Books: these books, however, are extremely deficient at best, unless reduced to a much finer system than is practicable for a company doing an extensive business."

That these books, as generally kept, are "extremely deficient," is undoubtedly true, but I differ with the writer in the latter part of his remark, viz.: that a finer system is impracticable. Such a system is practicable, and furthermore, almost indispensable, and should be kept by every company doing a fire underwriting business. Without it, we must necessarily be working to a great degree in the dark. From his remark I infer that because the task of arriving at any satisfactory results is difficult, and entails considerable work, he would abolish the system altogether, and trust to Providence to help him show a neat percentage of profit at the end of the year. Is this the correct principle to work under? We are here striving to make money for our companies, and to do so in a business such as ours, in which the difference between profit and loss is represented by a very slight percentage one way or the other in rates, and in a territory where every extreme of hazard and construction is met, it becomes absolutely essential, in order to adjust such rates on a fair paying and equable basis, that we should know the exact cost in the

way of losses, of each class of business with which we deal.

A merchant will not go on year after year selling his hams or his calicoes, and more especially such merchandise as fluctuates greatly in value, without the slighest idea of their cost. He knows exactly what they stand him, and the percentage of loss or waste thereon, and calculates his rates of charge accordingly. If he finds at the end of a series of years that he has been constantly losing on a certain line of goods, he will either close out in that line or advance the charges to a paying basis. It is this knowledge of the cost of each article that enables him to successfully carry on his business; without it, his chances of failure are assured.

It is so with us; it is just as impossible to manage fire insurance intelligently without an idea of the cost of the various classes of hazards with which we deal, as for that merchant to carry on a profitable business under similar conditions. It is evident that the only resort we can have for such information must be our Classification Books; we must classify, and this can be done in a general way, at the same time securing enough specific information to make the results intelligible, instructive and profitable, and that too, with a comparatively small outlay in expense and labor.

Up to a little over a year ago, we had kept in our office a "Special Hazard Register," recording therein in full, under its proper heading, the number, name of assured, amount, premium, etc., of each special hazard written. This never proved satisfactory; it was neglected; risks were left off here and there, and in fact it became entirely unreliable for any sort of information, and was finally abandoned. Under this old system, which is similar, I believe, to that now in use by the majority of our companies, all stores whether detached or in range, in San Francisco or in the worst constructed town on the Pacific Coast were grouped together, and the loss, if any, deducted therefrom. It mattered not what was the cause of the fire. That it started in a Chinese laundry four occupancies away, cut no figure, but the fact that we had lost a thousand dollars on a frame store was enough, and it was charged to stores. A few moments thought will convince one that a system such as this, which makes one class of risks accountable for the losses originating in another entirely foreign to it, must give a very false idea of the real cost of a hazard in the way of losses.

Feeling that there must be something better, I secured all the styles of classification to be had; but none, so far as found, suited; none would pay for the work involved, and I was therefore left to my own resources.

In studying the matter, the subject grew upon me; the extent to which one might go seemed boundless, and there appeared no practical way to limit it. But a system was at last evolved, which will, with such changes as experience suggests, prove entirely feasible.

Let us begin by listing the hazards alphabetically, numbering them from one to fifty or more, embracing therein every class of risk with which we would likely have dealings. Blacksmith shops (brick); blacksmith shops (frame); boarding and lodging houses (brick and frame); breweries; canneries for fruit and fish; hay in stack and hay in warehouse; and so on through the schedule. Dwellings should be listed; theatres and all other special hazards have their places, and of the number, public buildings may form one, including in this, schoolhouses, seminaries, churches and similar hazards. Where risks are detached and subject only to the hazards incidental to themselves, they should be classed according to their occupancy, as per the list spoken of; but if frame, and exposed to frames with different occupancies, they take on another hazard—that of the *range*. It stands to reason then, that they should not be classed with detached risks of like occupancy. Therefore open an account for *ranges*, and embrace under this head all exposed frame risks, dealing with them entirely, regardless of their occupancy, for they are liable to burn from any one of a dozen or more hazards peculiar to the various exposing businesses.

In this way we can arrive at the total

amount and premium written on detached risks of the various kinds, and also at the amounts and premiums of range risks. If a detached saloon burns, the loss should be charged to saloons; but if a saloon in range burns from a fire originating two or three doors off, the loss should be charged to the range hazard, where it properly belongs, and not to saloons, which were not responsible for the fire.

Brick buildings adjoining frame ranges should be given a place, and be dealt with as the heading suggests, as it is evident that no reliable data could be obtained by grouping such risks with detached bricks or rows of brick occupancies unexposed by frames; therefore they must be classed by themselves.

There is a chance (comparatively small), for a fire to originate, in either of the above cases, in our own insured risk, from some cause peculiar to the risk. Should this occur, the premium obtained on such risk may, with little work, be deducted from the hazard where it was originally put, and credited to its particular class, and the loss deducted therefrom. The changes necessary from such causes will be very few. As far as the other insurers in the block are concerned, the loss will be charged to ranges, where it properly belongs.

It may happen once in a while, that we have a risk which cannot be classed in our list, and is not of sufficient importance to open a place for. Therefore drop it into a miscellaneous class, thus accounting for the amount and premium, enabling us to balance and prove our work.

After arranging this part satisfactorily, we begin to think of grouping the towns, for it would hardly do to class San Francisco risks—say saloons or stores—with the same class in Virginia, Nevada, or some little four corners in Colorado or on the San Joaquin plains.

So we will divide the cities and towns into four groups, A, B, C and D; making another class, E, embracing therein everything outside of towns altogether. Thus we secure a classification of 250 divisions; or more properly 50 hazards with five subdivisions under each. This gradation of towns is to be made according to construction of buildings, water supply, fire department, etc. Some of the towns booked as "D," may from time to time, improve in all these points, and be advanced to "C" or even to "B" class, as may be thought best, without affecting the system. To facilitate the work, have prepared an alphabetically arranged list of the A, B and C towns; say fifty in number, and in passing on the reports of policies issued, the inspector will note thereon the hazard and class of town by number and letter; thus, 50 C indicating a frame range in a "C" class town; 10, E, a frame store in the country, and so on. These numbers and classes would soon become familiar, but if forgotten, a glance at the card will give them.

The clerk, in making up his "condensed register," should note this in a column provided for the purpose, and during the day jot the amounts down in a memorandum book, footing up for each hazard from time to time during the month, so that at the end he will have the gross amount written. To this add the reinsurance canceled; the reinsurances and cancellations being then deducted will give the net figures for the hazard. A few minutes' work only would be required to get the amount canceled, reinsured, etc., from the respective books as the same memorandum as to class should be kept on those as on the condensed register.

I need not explain the manner for classifying the losses; it will be similar to the above and require very little time. The results obtained in this way will be approximately, if not absolutely correct, and give a knowledge that must pay a hundred-fold for the labor and expense of obtaining it. With it, one will secure a pretty accurate idea of what has been profitable or unprofitable business, and can be guided accordingly in accepting or rejecting lines. If we find that boarding and lodging houses in A, B and D towns have yielded the greater proportion of premium derived from that class of risks, and would have been paying business but for the heavy drain on that hazard from fires in C class, from which very little premium was drawn, the chances are

that by withdrawing from the C class altogether, we will be able to show a neat profit in the remaining towns without tabooing the whole lot, as would probably be done under the old system.

Of course, if allowed to accumulate from day to day, the labor of catching up would become like any other work in our office, if allowed to drag—simply immense; but if kept up to time, a few minutes each day, with a couple of hours of work at the close of the month, will be all that is necessary to secure the results we are after. It will take one, two or three companies years to arrive at results that will give them the benefit of the "law of average," but if a dozen or more of our companies were to adopt the same system, even though as imperfect as this, we would soon have data which would be not only useful to ourselves, but of material aid to our Compact managers in their efforts to make a uniform and equable adjustment of rates.

A Specimen Witness in an Arson Case.

An adjuster holding an inquest on the stove pipes, nails, door locks and hinges, iron hooks, tin cans, and other fire-proof remains of a cowboy town in New Mexico during the lively times of 1882, learned that a valuable witness—a deputy sheriff, who knew all about the fire and the parties who started it, who was cow-ranching a few miles out—would be in town that evening, and as such a chance to get out of paying a loss was not to be missed, Mr. Adjuster laid for him, and a little after dusk found his man, who was fixed with a big pistol on each hip and a half bottle of whisky in his bosom, his appearance and gait leaving no doubt as to the disposition of the other half bottle of whisky.

An adjournment to the plaza, away from eavesdroppers, was necessary, and, after patiently listening to a little of everything except evidence in relation to the fire, and being a little nervous, Mr. Adjuster said: "Mr. Sheriff, your testimony might be of some use before a vigilance committee, but would not do in court. You know enough of court proceedings to understand this." "Know enough of court proceedings," said the would be witness; "I guess I do. I was tried for murder three times in this county."

Mr. Adjuster's heart came up in his throat, and inviting the witness to the nearest saloon to take a parting nip, quietly and gently let go of him, paid a total loss and retired in good order.—*California Knapsack.*

Appropriating Mortuary Assessments.

It is a peculiarly significant fact that the Mutual Reserve Fund Life Association of New York make a bitterly vigorous fight against a bill before the New York Legislature, prohibiting the use of any part of the mortuary assessments for expenses. Mr. Harper, the President of the company, personally labored in the lobby at Albany, and appeared before the committee having the bill in charge. He and his company want the privilege of using a portion of the death assessment receipts for the payment of "expenses." If it be granted that the funds so diverted are properly disbursed, it must be admitted that the practice is a deception, for it creates the impression that the expenses are much less than they really are. The proposed law would work no hardships, and all opposition to it was inspired by the personal interests of managers. A New York member who introduced the bill, stated that it was prepared at the request of members of the Mutual Reserve Fund. He stated, also, that he had received orders to withdraw the measure from the men who were misusing the mortuary assessments. They repeatedly threatened him with defeat at the polls if he disobeyed their insolent demands. These are the "bulldozing" tactics of Mr. Harper and his confederates. They are rapidly undermining the confidence of the members of their association, and verifying the old saying, that if you give a rascal rope enough he will hang himself.

The *Weekly Underwriter* says: "It has been strongly suspected that these co-operatives were stealing and dividing among their officers portions of the mortuary assessments, and the appearance of Mr. Harper at Albany seems to indicate that if the

bill should become a law he would have to change his practices or be chargeable with felony."

The bill was defeated through the extraordinary efforts of the co-operatives, led by the officers whose enormous salaries were jeopardied.

Legal Notes.

The U. S. Supreme Court has decided that States have a right to pass net-valuation laws compelling life companies to comply with the standard under penalty of dissolution, and may apply such law to a company previously incorporated.

The Kentucky Supreme Court has decided that a contract made by telephone is valid, and can be sustained in court. The operator at one end of the line did the talking for the principal, and reported the conversation in the hearing of witnesses, whose testimony the court admitted on the ground that the operator acted the part of an interpreter.

The Appellate Court for the Third District of Illinois has decided that an agent cannot bind his principal in a contract with himself, without acquiescence of principal. Authority from the general agent to countersign his own policies will not authorize him to renew a contract to himself after a loss and issue a policy, not having charged himself with the premium, nor having previously reported it to the company, on the ground that he had verbally agreed with his partners for such renewal prior to the expiration.

Insured was unable to read or write, and therefore allowed the agent to draw her application. No mention was made of building in which fire afterwards occurred, and this fact was used by the defendant company as a defense to an action at law. It was shown that the agent was acting within the scope of his authority in drawing the application. The company was a mutual one. The Pennsylvania Supreme Court has ruled that the defense was insufficient, and that a company cannot profit by the mistake of its agent.

Where a policy of insurance provides that any false swearing or attempt at fraud, "or if there shall appear any fraud in the claim by false swearing or otherwise," shall avoid such policy, the company, in order to avail itself of the defense, must show that the assured knowingly and intentionally swore falsely or said or did that which it claimed to be fraudulent. So held by the Supreme Court of Georgia in the case of the Watertown Fire Ins. Co. *v.* Grehan, decided March 17.

The creditors of the deceased instituted proceedings before the Surrogate, at Amsterdam, N. Y., to compel an accounting by the executor for the insurance funds and have them applied in payment of their claims. The Surrogate's decision on April 13, holds that the insurance moneys were not assets in the hands of the executors to be applied to the general purposes of the estate; that the object of the association was not to benefit the estates during life, or increase them after the death of the insured.

The Indiana Supreme Court has decided (Phœnix Ins. Co. *v.* Union Mutual Life), that where mortgagees pay the premium on a policy of insurance issued to the mortgagor on the mortgaged property, and the mortgage clause in such policy provides that the mortgagee should notify the insurer of any change of ownership or increase of hazard coming to their knowledge, the beginning of foreclosure proceedings by the mortgagee cannot be regarded as a change of ownership or be presumed to increase the hazard.

Mortality Statistics.

A valuable addition to actuarial literature is the recently published Mortality Experience of the Connecticut Mutual Life Insurance Company, as regards both male and female lives. The observations included 97,790 male lives, covering 780,353 years of exposure, with 8,746 deaths; 125,655 policies, covering 867,197 years of exposure, with 9,890 terminations by death; $354,902,195 of insurance, covering $2,482,744,335 of exposure, and a loss of $28,793,725

by death. As regards females, there were included 7,452 lives, covering 62,680 years of insurance, with 756 deaths; 8,528 policies, covering 63,914 years of exposure, with 777 terminations by death; $17,575,404 of insurance, covering $131,962,559 of exposure, with a loss of $1,570,951 by death. The ratios of actual to probable deaths were as follows:

Natives of United States	.825
" " British America	.863
" " England and Wales	.887
" " Scotland	.904
" " Germany, Austria, Belgium and Holland	.964
" " France and Switzerland	1.040
" " Norway, Sweden, Russia and Denmark	1.076
" " Ireland	1.097
" " other countries	1.013
Average ratio	.846

The mortality of seafaring men, soldiers, liquor dealers, hotel-keepers, students and speculators was from 10 to 75 per cent. in excess of the probable ratio.

The Northwestern Mutual Life Insurance Company, of Milwaukee.

This popular life insurance company is the "bright particular star" of the great Northwest. It is a brilliant example of Western vim and ability, and in all the elements of a strong, stable, successful life insurance company it may well challenge comparison with any other company. Measured with other Western enterprises, as a financial institution the Northwestern Mutual Life is overshadowing. Its assets are $22,528,970.52, and its net surplus over all liabilities, computed at a 4 per cent. standard, is the creditable sum of $3,521,-006.37.

During the twenty-six years of the remarkable career of the Northwestern Mutual Life it has paid to the representatives of deceased policyholders $12,232,996, and to its living policyholders, for matured endowments, surrendered policies and dividends, $21,902,047, or $34,135,043 altogether. Adding to this sum the assets held in trust for the policyholders, and subtracting from the total the amount received in premiums ($48,637,921), we have left the sum of $8,026,092, the excess over payments by policyholders. This is a praiseworthy record of good works, and reflects unbounded credit on legitimate life insurance and on the managers of the company for their enterprise, sagacity and conservative methods.

The growth of the Northwestern Mutual Life, year by year, is uniformly flattering, liberal dealings and handsome dividends firmly establishing the company in the esteem of every community in which it is represented, and multiplying warm friends who cheerfully extend its good reputation. The assets last year made a gain of $1,413,-649, notwithstanding the depression in commerce and industry. The general agent in this field is R. W. Abbott, who is unflagging in efforts to secure for his company the business it merits.

The Mutual Endowment Association of Oakland.

As this company is a type of a new variety of the hat-passing parasite, a brief analysis of the "freak" may be of interest. The scheme is not original, being an almost exact copy of the infamous Mutual Self-Endowment Association of Longview, Texas, which has a branch in this city. Those who read and remember the exposition of the Texas prototype in the COAST REVIEW of July, 1884, will observe the literal resemblance in every important feature. Both issue endowment certificates composed of five coupons, payable in periods corresponding with the fifths of the estimated years of life. Both estimate the age at seventy-five years. Both have graded assessments, and issue certificates in various sums. Both provide for profitable membership fees and annual dues, of course, and both make preposterous promises of returns to members. The Texas dupe-catcher promises four dollars for every dollar paid into its treasury. The promises of the Oakland co-duperative are doubtless equally absurd.

The Mutual Endowment Association of Oakland proposes to pay its members in installments, in quinquepartite periods, the amount of their certificates. For these endowments they are to pay an admission fee ranging from $10.00 to $30.00, and annual

dues of from $2.00 to $20.00, and assessments varying, according to age, from 60 cents to $2.50. To give the scheme an attraction which it certainly needs, disability benefits are added. The effect of this will be to increase the assessments largely, and thus hasten the inevitable failure of the company—for these disabilities include sickness.

For the sake of argument we will assume the Mutual Endowment Association of Oakland will survive several years, or long enough for some of the older members' coupons to mature. Now let us endeavor to discover the "profitable investment" which the association advertises. To facilitate the investigation we shall ignore the disability feature, which will benefit only a few members at the expense of all. How many assessment are there likely to be? That is not easily answered. There are no data. The enterprise is an experiment. The officers are "going it blind," and are as ignorant of the liabilities as the silly people who will have to pay for this tom-foolery.

The association has no income except assessments, for its small interest-earning reserve fund has yet to be created. Indeed, nothing is said about its earning any interest. All the endowments paid to the members must be paid by the members, in addition to the expenses. The association is merely a collecting and distributing agency, organized to furnish certain individuals with lucrative employment. The members pay over $200 to get $200 several years afterward, and in the meantime run the risk of losing all their "investments." There is nothing profitable, nothing inviting in this, yet that is just what the members, as a whole, inevitably do. The member's chance of profit depends on a steady and constant loss and accession of members; on the ability of the association to pay the numerous coupons simultaneously maturing in the fifth year; and on the honesty of the managers, who give no security.

All of these contingencies are too uncertain for sensible men. It is the interest of the management to retain the old members for the sake of the dues. Thus the interest of the management and the association conflict at the start. A dollar of dues in hand is worth two in the bush. For the regular payment of dues for four or five years, in addition to fat membership fees, the manager would find it highly profitable to deliberately sacrifice a company which he knows cannot reasonably expect to survive much longer under the most favorable conditions. He would sacrifice the company by limiting the assessments, so as to retain old members and secure plenty of new ones. By thus limiting the assessments no adequate provision would be made for the payment of the numerous coupons maturing four, five or six years hence, and the association would collapse.

With limited assessments, the class of ignorant people who become members of such a visionary scheme are likely to have faith enough to continue until the downfall must come—say five years—and will be encouraged by the distribution of disability benefits. The members of that notorious swindle, the San Francisco marriage-endowment association, were such faithful adherents that they speedily bankrupted the concern. The loss of membership of the Texas endowment hat-passer is nominal, and the result is an accumulation of obligations which must soon overtopple the frail fabric; but in the meantime the managers are reaping a harvest.

We may, therefore, reasonably assume that any diminution of the obligations of the Mutual Endowment Association of Oakland, by lapsing of members, will not be large enough to figure as an element of cost to the average member. The experience of the similar associations mentioned, and the manifest interest of the management, place this assumption beyond any reasonable question. This simplifies the problem of cost, and we may pursue the investigation with the certainty that our estimates will be approximately correct.

The author of this scheme has graded the assessments on the basis of a persisting membership. Twenty-six or twenty-seven annual assessments will pay the installment promised. At age 20 the amount is seventy-five cents per $1,000, and the first coupon is due in eleven years, or one-fifth of the

fifty-five years which it is assumed that he will live. Seventy-five years, by the way, is a liberal estimate of the average life, but this liberality postpones the coupon period, and therefore adds to the annual dues falling into the managerial pocket. An average of twenty-six and a half assessments per annum, at seventy-five cents each, for eleven years, will pay the $200 coupon then maturing. Adding $10.00 membership fee, and $24.00 annual dues, at $2.00 a year, the cost of the $200 endowment is $234. The same proportion holds good throughout all ages and sizes of certificate.

Admitting that the association will pay its obligations, it would be a very much better investment for the young man to take out an endowment in a life insurance company. In the Mutual Endowment Association of Oakland the young man of 20 years pays $1,120 for $1,000 endowment, and waits *fifty-five years* to get it. He would be a fool, indeed, who would trust a co-operative that length of time. It will cost the young man of 25 years the same sum, and he must wait *fifty years* to get it. If he were to take out an endowment policy in a regular life insurance company, his $1,000 would be paid to him in twenty years (or less, if he chooses), and it would cost him only about $600. If he dies in the meantime, his beneficiary receives $1,000. In the Mutual Endowment Association of Oakland the member waits fifty years for all of his $1,000, and is out of pocket $120. In a regular company he gets his endowment much sooner, and makes $400; and if hard pressed for money can surrender his policy at any time for its cash value. In one case he invests in a stable enterprise, backed up by millions of dollars; in the other case, he pays his money into an association without a dollar of assets, which is making a foolish experiment that can never be successful; and if he dies, his beneficiary can claim only $200.

Of course it will be contended that there will be lapses—that members will come in, stay awhile and withdraw. Why should they withdraw if they have confidence enough to enter, and pay from $10.00 to $30.00 for the privilege of getting in? This is too frail a foundation to support any reasonable hope of profit from that source. The lapses will be more than offset by the death losses, for the association agrees to pay the beneficiaries the amount of one of his coupons. Every coupon next due matures by the death of the holder, who therefore does not pay his share of the assessments. Twenty-five per cent. of the face of the certificate is applied to a "reserve fund," which will require years to attain its limit. The additional assessments necessary to accumulate this reserve reduce to *nil* any hope of profit from lapses.

We cheerfully admit that this association *may* live for five or six years; if the management wish it to, and display ordinary ability. The concern may last that time, because most of the liabilities do not mature for several years. It is this ingenious feature which makes the association a profitable venture for the manager or managers. They incur no risks and are sure of their annual dues. If they are dishonest they can misapply the assessment receipts, in spite of the most honest and vigilant officers who serve as influential figure-heads and decoys. No coupon, unless the holder dies, will mature for five years. The first coupon of a man aged 55 matures in four years; if aged 50, in five years; if aged 45, in six years; if aged 40, in seven years; if aged 35, in eight years; if aged 30, in nine years, and so on. The average age will be rather high, necessarily, for it is the older men who may be expected to find some inducement to join, in the prospect of getting an endowment in four years. In four and five years, then, there will be an accumulation of endowment obligations. It will be impossible for the association to pay them. The members wont and can't respond. The manager may be expected to make the same excuse that the manager of the defunct Universal Benevolent Association of San Francisco did. He said, "it is the fault of the members that the association cannot pay its obligations. It is not our fault."

We have admitted that the association may survive four or five years, but if it

does, the assessments must be far less frequent than will be necessary to realize the the promises so lavishly made. The payment of the absurd endowment promises will require twenty-six assessments annually. No member of a co-operative will pay such assessments, and knowing this, the management will not levy them. Disastrous failure several years ahead will be preferred to present failure and a loss of fat fees and dues.

The membership of the Mutual Endowment Association of Oakland will be composed almost exclusively of laboring men and women, who can ill afford to lose any portion of their scant earnings. The more intelligent—those who have native shrewdness—will not be humbugged by the extravagant promises of an association which exacts so much faith in the marvelous, nor will they be deceived by an array of names of men to whom certificates may have been *given*. It is a common trick of co-operatives to make influential business and professional men members by presenting them certificates. Thus their names can be effectively used for advertising purposes.

But aside from the loss of money to poor people, the Oakland concern is to be condemned because it gives no life insurance. If the beneficiaries received the face of the certificate, or any considerable portion of it, there might reasonably be a feeling of toleration for this speculative scheme, though it does prey upon the earnings of the simple-minded.

We observe with pain that two reputable citizens of Oakland have lent their names to this unworthy speculation. They have doubtless satisfied themselves that the scheme is feasible and fair, but we are confident that they have not given the matter a proper investigation. They certainly have listened to one side only. They have been deceived by the misrepresentations of interested parties who expect to profit largely by the enterprise so long as it lasts. We warn the gentlemen that they have made a grave mistake. Their names will persuade many to repose confidence in the scheme, and when it fails, these gentlemen will be greatly chagrinned, for they must bear the obloquy inseparable from the bursting of this endowment bubble. We trust, for their own sakes, and for the sake of the victims of their unthinking endorsements, that the gentlemen referred to will promptly forbid the use of their names. Some reputable and influential gentlemen in this State endorsed the Universal Benevolent Association of San Francisco. It had as reasonable hope of longevity as the Mutual Endowment Association, but it failed most ignominiously; and now the reputable endorsers have the mortification to think that they helped the swindle, and cursing letters from the victims, denouncing them for their imbecility or rascality, do not strengthen their self-esteem nor sweeten their temper.

The worst we can say against this Oakland endowment scheme is that W. H. Jordan is the Vice-President and probable projector. Finally, the association is not a legal corporation. The insurance laws of California do not authorize its existence, and for this reason alone it must come to grief as soon as brought into court.

The Equitable Life Assurance Society, of New York.

The twenty-fifth annual statement of this great life insurance company discloses a marvelous progress during 1884. Nearly eighty-five millions of new insurance was written, increasing the premium income $1,303,782. The assets made a gain of $5,131,343, which is a larger increase than that made by any other company. The surplus also made a long forward stride, by an addition of $1,620,576.

The Equitable Life is a brilliant luminary in the firmament of life insurance. The insurance written during the twenty-five years and a half of its history is $57,000,000 more than any other company, in either hemisphere, has written in the same period. It stands third in volume of assets, first in surplus over all liabilities, and second in income. Its assets are $55,537,720; its surplus by the New York standard is $13,730,333, and the total outstanding insurance is

the enormous sum of $309,409,171. In 1884 the Equitable disbursed $7,194,787 to policyholders, making the total amount paid policyholders, since organization, $81,072,486.

The Society issues a plain contract of insurance, free from burdensome and technical conditions, and incontestable after three years. All policies, as soon as incontestable, are payable immediately upon receipt of satisfactory proofs of death.

Within the last year or two the Equitable Life has "invaded" Great Britain, France, Australia and other foreign lands. The popular features of the Society, backed by the driving methods of its vigorous management, have won for it a flattering reception everywhere. With colossal resources, liberal dealings, generous dividends and shrewd advertising, the Society has defied the competition of foreign rivals, broken down the barriers of foreign prejudice, and may hereafter contemptuously ignore the abuse and misrepresentations of envious foreign enemies.

W. D. Garland is the Pacific Coast Manager for the Equitable Life Assurance Society. We need not add that the Society does a large business in this field.

Portland Correspondence.

PORTLAND, Or., April 26, 1885.

EDITOR COAST REVIEW—I have been accused of being a "bear" on Oregon interests, but I have a perfect right to refute any such ridiculous statement. To the best of my abilities I have, as your correspondent, simply stated facts, and so far they have been pretty nearly correct. A friend of mine said, the other day, "Naols, you are giving us some backward licks. Even if times are bad, boom the country up and all will come out well." I answered, nobody was more willing than myself to advance the interests of our State, but I could not consistently do it without facts to back me. Since writing you last, I am pleased to admit that things have taken a substantial forward tendency. Business is well on the pick up; building improvements are numerous; immigration of a good character is coming in fast, money is a great deal easier; everything has a more hopeful outlook; but it will take us some time to recuperate. Insurance matters naturally feel this better state of affairs.

The State Firemen's Association will commence operations at Astoria on June the 10th, when the fire laddies expect to have a glorious time. Contests of different kinds will take place, and numerous prizes will be awarded. The coming association promises to have representatives present from some thirty or more volunteer fire companies.

There is at present a controversy over some of the arson reward money, the police not being able to agree on who should "yank the bun."

Stetson & Post's large new saw mill burned on the 12th inst. Loss estimated $60,000, but fortunately only $10,000 insurance. They propose, however, to rebuild at once. The Dayton (W. T.) Woolen Mills will be rebuilt. Arrangements are being made by the water company to run a large main down Front street, from Lincoln to G, connecting with the large new main leading down from Palatine Hill. It will be 16 inches in diameter as far as Morrison street, and 12 inches the remainder of the way. As the fall is nearly 200 feet, there is ample power to run elevators and for fire extinguishing purposes. Good; we can take all this in.

FIRES DURING THE PAST THREE MONTHS.

From the books of the Secretary of the Board of Fire Commissioners is obtained the following report for the quarter ending March 31, of the losses sustained by fire, total insurance involved, and amount of insurance paid. Total losses for the quarter, $7,996; total insurance involved, $15,350; total amount of insurance paid on the recent fire at Arfeld & Co's on First street, losses, $300; amount of losses over insurance, $4,895. During March there were but three alarms—one telephone, one still, and one box alarm.

Mr. Young, of the Lion, left his card on my desk.

Tom Grant paid us a visit coming from the East, looking hale and hearty. He ex-

pressed himself as well satisfied with the management of his agency here.

Harry Body's (Hamburg-Bremen) partner is W. K. Arnold, formerly of your city. They have recently moved into a handsome new office, No. 102 First street.

W. S Idleman has come from the East, bringing along the "Penn Mutual."

Edwards, of the Equitable Life, has resigned and gone to his former home in New York State. There is a good opening for a live man to represent this sterling company.

Mr. Gartner has returned and is now making a country trip.

Arthur Wilson (Home Mutual) visited your city and enjoyed his kindly reception while there very much. Arthur is also Swedish Consul here.

Jas. Thompson, formerly with White & Riggen, is now city man for the Oregon.

Frank Hart, for many years a prominent railroad official, is now employed by Eugene D. White, the new Guardian appointee.

Amos Sewell came up recently to look over his old hunting ground. He made a very brief stay.

Adjuster Chalmers came on special business, and while here made some adjustments.

Hy. Dobinson, for eight years past connected with insuranee companies, has sold out entirely to Geo. A. Steel & Co. Mr. Dobinson's withdrawal is generally regretted, for he had many friends here.

NAOLS.

New Departure--Accident Department of the Pacific Mutual Life Insurance Company.

In accordance with the original design and the special provisions of its charter, the Pacific Mutual Life Insurance Company of this city has just added an accident department, with Thomas Bennet as Manager and W. H. Davis as Superintendent of Agencies. This step has been contemplated for some time past, and the opportunity of securing the services of an experienced manager led to the creation of the new department at this time.

The accident policies of the Pacific Mutual are free from all technicalities, and are as liberal as is consistent with the mutual interests of insured and insurer. No restrictions are imposed upon residence or travel. The policyholder may live in any civilized country and travel anywhere. A new feature in accident insurance is the non-forfeiture of the policies. Engaging in a more hazardous occupation does not avoid the policy, the premium paid purchasing its pro rata of insurance in the more hazardous class. A clause in the policy provides that the death loss and indemnity shall equal such sum as the amount of premium paid will purchase for the more hazardous occupation. This is of great advantage to that class of men whom circumstances compel to change their occupation. In case of total disability, indemnity is granted for thirty weeks. This is a little longer time than is granted by other standard accident insurance companies. Insurance is granted for one year or less, in sums from $250 to $10,000, with from $5.00 to $50 00 weekly indemnity.

The addition of an accident department to the Pacific Mutual Life Ins. Co. is a wise move on the part of the management, considered by itself or from the standpoint of the life department. The interests of each will be subserved by the other, and the management may confidently expect local pride, throughout the Coast, to respond with substantial evidences of approval of the new home accident insurance company.

Mr. Bennet, the Manager of the accident department, needs no introduction by the COAST REVIEW. He has been actively engaged in accident insurance for the past twelve or fifteen years, and for the last six years was the general agent of the Travelers Life and Accident Insurance Co. for this Coast, during which time he built up a large and profitable business for his company. W. H. Davis, the Superintendent of Agencies, has been a special agent of the Travelers in this field for the last three years. He is fully versed in the business and is popular with the agents.

There are 95 life and 22 accident insurance companies in Great Britain.

A California Mutual Fire Insurance Company.

Our great fire insurance companies will have to "look to their laurels," and the most hopeful friend of the Pacific Insurance Union may well despair. A mutual fire insurance company has been organized at Martinez, Contra Costa county. The new piratical craft designs to sail the insurance seas under the title of "The California Mutual Equivalent Indemnity Association," a name to terrify all engaged in a legitimate traffic, and persuade every property-holder to surrender at sight. The new enterprise has all the originality of lunacy and the confidence of idiocy. It was actually organized under the new co-operative *life* insurance law! The "equivalent indemnity" is limited to fifty per cent. of the value of the property insured. There is no classification. The old fashioned system of the "monopoly companies" in making rates correspond with risks has been ignored by this socialistic mutual. Detatched buildings must pay the same as frame ranges and the farmer must pay as much as the villager.

In a circular issued by the California Mutual Equivalent Indemnity Association, the evils of fire are discussed from a high moral standpoint, with tearful sympathy. The reader is startled with the information that "the law does not protect the house and furniture from destruction by the elements," and he is discreetly reminded that the furniture "constitutes the home, and gives merit to the homestead." His sympathies are appealed to with a pathetic picture of a "family and helpless children" who are left "houseless, homeless and moneyless." The remedy, unmistakably, is fire insurance, and this wise conviction having taken lodgment in the brain of the reader, he is boldly informed that "to meet such emergency," to supply this long-felt "want," is the special "object of the organization and incorporation of The California Mutual Equivalent Indemnity Association."

We shall be very much surprised if we ever again hear of this illegal association. The jackass who originated it will have to go to work, or devise a less palpable fraud.

Jordan's Company.

At the risk of trespassing unduly upon the reader's patience by any further reference to a vulgar and obscure character, we recall the fact that W. H. Jordan, a member of the last Legislature, and by charlatan methods a prominent member of the Ancient Order of United Workmen, was the self-constituted champion of the fraternal societies during the consideration of proposed amendments to the insurance laws of the State. In the lobbies, before the committee, and with members of his own and other secret orders and benevolent societies, he posed as the acknowledged and wholly disinterested friend and representative of fraternal organizations. For this reason, perhaps, the amendment was not closely scanned by the Legislature, and was passed without the elimination of the superfluous word "associations," which had been adroitly inserted by the deceitful Jordan to permit the organization of the wildcat association he long since projected. The COAST REVIEW warned the fraternal societies that the motives of the fellow were mercenary, and expressly stated that he designed to form a hat-passing insurance association of his own. He was willing to sacrifice the order which had conferred emoluments and titular honors upon him, and flood the State with a stream of foreign wildcats, if by so doing he could provide for the lawful existence of the fraud wherein he hopes to find more profit than in the investment of widows' funds. The reputation of the COAST REVIEW for prophecy, in this matter, is not only amply vindicated, but it may acquit itself of any charge of failure in duty to the public. Jordan is the Vice-President, and doubtless the projector, of the Mutual Endowment Association of Oakland, a new hat-passer.

The Past Grand Master of the Ancient Order of United Workmen adds that title to his name in an advertisement of his grab-all-dues co-operative. The order should protest, and if needs be, expell the offending "brother." Would any society permit anything so unseemly as the use of one of its titles by a member to get business?

Would the Odd Fellows or Masons allow John Smith, baker, to add the name of the office he held in his order, on his sign or in his advertisement? It is exactly as bad, nay, worse, to use the title in connection with a wildcat co-operative. The A. O. U. W. should repudiate Jordan.

Fire Insurance in Texas.

The year 1884 has added another bead to our chaplet of disappointment. Not only have we increased our ratio of loss 7 per cent. over that of 1883 (it being 78 per cent. against 71), but our premium receipts have fallen short 12 per cent. of those of 1883, and 42 per cent. less than the average ratio of increase from 1880–1883, although the average premium was the largest that was ever charged. Here is a problem to be solved and in which are involved principles vital to the success of underwriting in Texas. We have obtained a higher rate of premium in 1884 than in any previous year, have written $22,000,000 less than in 1883, have fallen back in receipt of premium, and have increased our ratio of loss. Now, what is the cause of this? Texas has not retrograded in population and wealth, yet in amount written, Texas has fallen off, as compared with 1883, more than the great States of Illinois, Missouri, Iowa and Kentucky put together. I am forced to the conclusion that some change is necessary in our manner of doing business. We have gone a great deal on the principle that to meet excessive losses we must increase rates of premium. It seems to me, judging from our past experience, that this plan has not brought about the expected results, and in fact I am strongly inclined to the belief that our rates, in some instances, have been excessive, and that our loss in volume of business is, in a great measure, to be attributed to that. High rates of premium do not deter those who are upon mischief bent, but it does those who seek insurance only for protection against the legitimate hazards assumed by insurance companies. Whilst, therefore, many unprofitable risks have been written, we have failed to receive premiums on very many desirable ones on account of over high rates of premium.—*N. O. Lauve, President Texas Fire Underwriters' Association.*

The Sun Mutual Insurance Company of New Orleans.

This strong Southern company has just been admitted to do business in this State, and has appointed Jos. C. Jennings & Co. general agents. The company, like the Home Mutual of this city, is a mutual in name only. It is backed by assets to the amount of $924,727, with a paid-up capital of $500,000. Its net surplus is the handsome sum of $207,875, constituting an important element of the company's popularity.

The Sun Mutual was established in 1856, and has therefore the reputation attaching to a successful career of nearly thirty years. Its business is growing and prosperous. The premium receipts last year were nearly half a million. The loss ratios in recent years have been uniformly moderate, a fact that is usually a satisfactory endorsement of the conservative ability of any management.

Messrs. Jos. C. Jennings & Co., the general agents of the Sun Mutual, now represent three good companies, the other two being the Westchester, of New York, recently added to the agency, and the New Hampshire Fire, of the Granite State.

Foreign Notes.

Fire insurance in Germany was generally profitable last year.

What next? A new company has been formed for "the purchase of railway season, periodical or contract tickets, and also to transact accident insurance business.—*London Ins. World.*

A woman in Paris who had her furniture and jewels insured, dropped a valuable pearl into the fire as she was standing before the fire-place. The pearl was destroyed and she sued the insurance company for 1,000f. The case was tried, and the judge decided that fire insurance did not cover accidents of that kind.

A new English guarantee association will warrant the payment of rents and the value of securities.

The Health Insurance Association is the title of a new English venture, which proposes to insure income during illness, disablement or infirmity. A guarantee capital of $500,000 is announced as having been secured. Some day such a company will succeed, but it is to be feared that many failures will be required to finally shape a successful health insurance company.

A French company deducts the commissions paid to agents for all risks experiencing a loss of $40 or less. A reinsurance company paid $120,000 in one year for these small losses. Losses as small as ten cents are found in the books of some companies. It is believed that agents are largely responsible for the presentation of trifling claims, and that in some instances they encourage small incendiary fires in order to make a record for prompt payment of claims.

According to the *Australasian Insurance Record*, fires in Adelaide, Australia, during the last twelve months, are unparalleled in the colonies. The unusual fire loss is accommpanied by stagnation in trade and general depression. In other words, a desperate community is selling out to the insurance companies in order to avoid bankruptcy. This is obviously true in the case of the lumber merchants. Their business has been exceedingly dull, and the number of lumber yards burned in Adelaide has been "perfectly startling," and in each case there was heavy insurance. Fire inquests were held, but our contemporary proves that these inquests were farcical, serving only to whitewash incendiary policyholders.

FIRES.

March 20, Montana Territory, frame building:
Commercial, S. F. $425

March 1, Spokane Falls, W. T. merchandise in frame:
Commercial, S. F. $1,825

March 10, merchandise in frame, Astoria:
Oregon $625
Commercial, S. F. 625

March 20, Montana, merchandise in frame:
Commercial S. F. $1,420

March 20, Ellensburg, W. T., merchandise in frame:
Commercial, S, F. $300

April 11, Cottonwood, Cal., hotel:
Royal, Norwich Union & Lancashire $1,675
Lion 1,675

April 13, Alameda Co., Cal., furniture, etc.:
Oakland Home $1,525

April 20, Portland, Or., furniture in hotel:
Guardian $198

April 5, San Francisco, frame dwelling:
Liverpool & London & Globe $1,600

April 21, Portland, Or., frame building:
Hamburg-Bremen $183

April 16, East Portland, Or., dwelling and furniture:
Phœnix, London $1,100

April 28, Salt Lake City, Utah, buildings:
Royal, Norwich Union & Lancashire $3,000

April 12, Santa Cruz Co., Cal., barn and contents:
Oakland Home $683

April 12, Oakland, Cal., hay:
Phenix, Brooklyn $295
American, Philadelphia 295

April 3, Red Bluff, Cal., brick store building:
Liverpool & London & Globe $243
Continental 118

April 21, Colusa Co., Cal., building:
Western, S. F. $165

April 7, San Francisco, furniture:
New Hampshire $790

April 7, San Francisco, frame building:
New Zealand $377

April 6, Portland, Or., groceries:
Royal, Norwich Union & Lancashire $825

April 25, Yolo Co., Cal., dwelling and furniture:
Phœnix, London $962

April 11, Grand Island, Cal., barn:
Phenix, Brooklyn $900

April 29, San Francisco, dwelling:
South British & National $500

April 26, Felton, Cal., dwelling:
Hamburg-Magdeburg $1,000

April 7, Livinsgton, M. T., general merchandise:
Commercial Union $540

April 28, Pomona, Cal., frame building:
Home Mutual..... $500

April 29, Marysville, Cal., dwelling and contents:
North British and Mercantile..... $425

April 24, Eldorado County, Cal., dwelling:
South British and National..... $500

April 16, Watsonville, Cal., barn:
Phenix, Brooklyn..... $200

April 11, Helena, M. T., frame blacksmith shop and stable:
Connecticut..... $248
Scottish Union..... 248
Merchants, N. J..... 247
German, Freeport..... 247

April 29, Los Angeles, Cal., boarding house:
Imperial, London, Northern & Queen..... $125

April 5, San Francisco, furniture:
North German..... $1,712

April 21, San Bernardino, Cal., general fire:
Western, S. F..... $646
Lion..... 556
Home Mutual..... 250
Phenix, Brooklyn..... 350
Hartford..... 665

April 13, Visalia, Cal., dwelling:
Phenix, Brooklyn..... $700

April 8, San Francisco, frame building:
Oakland Home..... $323

April 10, Fir, W. T., frame building:
Firemans Fund..... $700

April 11, Oakland, Cal., dwelling and furniture:
North British and Mercantile..... $150

April 11, San Jose, Cal., dwelling and furniture:
Union, S. F..... $500
Agricultural..... 350

April 15, San Leandro, Cal., barn:
Phenix, Brooklyn..... $250

April 30, Ukiah, Cal., frame buildings:
Home Mutual..... $1,500

April 6, Portland, Or., dwelling and contents:
State Investment..... $1,481

April 23, San Jose, Cal., dwelling:
Home Mutual..... $2,000

April 28, Butte, M. T., boarding house:
New Orleans Insurance Association..... $500
Boatmans..... 500

April 20, Butte Co, Cal., dwelling:
Agricultural..... $400

April, 25, Rocklin, Cal., general merchandise:
Home Mutual..... $2,200

April 1, Seattle, W. T., frame building:
Commercial Union..... $2,000

April 26, Washington T., farm property:
Home Mutual..... $1,500

April 18, Oakland, Cal., livery stable:
State Investment..... $325
Citizens..... 325
Home Mutual..... 360
Firemans..... 325
Home & Phœnix..... 358

April 11, Oakland, Cal., hay in barn:
New Orleans Insurance Association..... $385

April 6, San Francisco, dwelling and furniture:
Oakland Home..... $106

April 7, near Livingston, M. T., saloon:
Firemans Fund..... $400

April 11, Portland, Or., household fur-
Western, S. F..... $220
State Investment..... 235

April 9, Los Angeles, Cal., dwelling and furniture:
North British & Mercantile..... $120

April 9, San Joaquin Co., Cal., barn:
Phenix, Brooklyn..... $630

April 3, Sacramento, Cal., boarding house:
Union, S. F..... $704

April 18, Colusa, Cal., building:
Western, S. F..... $125

April 15, San Francisco, tannery:
Svea..... $400

April 7, Mayfield, Cal., dwelling:
Hamburg-Magdeburg..... $1,000

April 28, Marysville, Cal.. frame saloon:
Liverpool & London & Globe..... $697

April 21, Hanford, Cal., hay in stack:
Firemans Fund..... $457
National, N. Y..... $228

April 27, Portland, Or., dwelling:
North British & Mercantile..... $500

April 13, Sacramento Co., hop poles:
City of London..... $1,007
South British & National..... 3,985

April 11, Los Angeles, Cal., dwelling:
St. Paul..... $500

April 20, Copperopolis, Cal., dwelling and furniture:
Home & Phenix..... $900

April 3. Sacramento, frame dwelling:

Commercial, S. F.	$750

April 23, Pomona, Cal., general fire:

Pennsylvania, Phila.	$1,000
Hartford	300
German-American	823
North British & Mercantile	300
Liverpool & London & Globe	551
Connecticut	514
Scottish Union & National	1,000
Home & Phœnix	274

April 6, Prescott, A. T., dwelling and furniture:

Hartford	$1,950

April 12, Seattle, W. T., saw-mill:

Union, N. Z.	$1,500
California	1,500
Hamburg-Bremen,	1,000
Allemannia	1,000
Fire Ass'n, London	1,000
Peoples	1,000
New Orleans Ins. Ass'n	1,000
Total	$8,000

April 14, San Francisco, building, tools, etc.:

California	$350

April 9, Downey, Cal., frame blacksmith shop:

Liverpool & London & Globe	$314

April 3, San Francisco, general fire:

Hamburg-Bremen	$348
Manufacturers	1,290
Liverpool & London & Globe	697
New Hampshire	906
Providence-Washington	500
Imperial, London, Northern & Queen	1,950
Phenix, Brooklyn	2,787
London and Provincial	2,276
Helvetia	3,667
New Zealand	950
Transatlantic	2,613
State Investment	1,100
Boatmans	558
Total	$19,645

April 20, Eugene City, Or., frame building:

California	$700

April 13, San Francisco, household furniture:

Connecticut	$200

April 1, Santa Barbara, Cal., dwelling and barn:

Phenix, Brooklyn	$700

April 10, Woodland, Cal., military equipments:

Commercial, S. F.	$250

April 7, San Francisco, general fire:

Hamburg-Bremen	$490

April 12, Oakland, Cal., dwelling:

Home Mutual	$1,000

April 7, San Francisco, general merchandise:

London & Lancashire	$1,074
American, N. J.	296
Guardian	355
Ætna	237
Manchester	578
Connecticut	289
Continental	578
New Orleans	125

April 15, Roseville, Cal., flour mill:

Western, Toronto	$1,100
American, Philadelphia	1,156
Shoe & Leather	1,156
Firemans Fund	2,224
Providence-Washington	2,089
Insurance Company of North America	1,542
Pennsylvania, Phila.	1,542
Hartford	2,224
Guardian	1,767
Howard	1,060
Bowery	1,541
Connecticut	1,254
Security	835
Oregon	770
German, Freeport	770
Springfield	1,156
Total	$22,186

April 5, Pomona, Cal., printing office, furniture stock:

Hartford	$450
Connecticut	600
Firemans Fund	300

April 5, Pomona, Cal., dwelling:

Home Mutual	$1,000

April 28, Portland, Or., clothing:

Royal, Norwich Union & Lancashire	$225

April 2, Globe, A. T., building and general merchandise:

Hartford	$692

April 2, Florin, Sacramento Co., Cal., wine cellar:

American Central	$2,250
Niagara	2,250
Grand total	$136,542

The Massachusetts Attorney-General cooperated with the Insurance Department in a laudable effort to secure legislation providing for strict supervision by the State of co-operative insurance companies. The Massachusetts Attorney-General is a lawyer and a gentleman.

CHIPS.

—The Crescent Ins. Co. of New Orleans has reduced its capital to $400,000.

—A. J. Wetzlar has removed his office to Franz Jacoby & Co's Agency, 323 California street.

—Wm. J. Dutton, of the Fireman's Fund, returned last week from the East, where he has been recently engaged in reorganizing the Central and Atlantic departments of his company.

—Through a misunderstanding, E. B. Lemmon, of Hailey, Idaho, was instructed to write on dwellings, but not on other buildings, by one of the companies he represents. Correspondence following, the company instructed him to decline dwelling risks, as it wished to work in concert with other companies in their refusal to writie on buildings in the Territory until the valued policy law is repeated.

—Caleb T. Fay, an old pioneer, and the first President of the Union Insurance Company of this city, died at the Palace Hotel on the 20th of April, from the effects of a stroke of paralysis. Mr. Fay, who was a native of Massachusetts, came to California via Cape Horn, in 1849, and at once embarked in several important business ventures. He was a man of great public spirit and unflagging energy, and was the prime mover in a large number of representative enterprises originating in San Francisco, and one of the founders of the Merchants' Exchange. His adventurous spirit prompted him to make prolonged and arduous explorations in South and Central America and Alaska, in the interest of projected commercial and mining ventures. Mr. Fay was prominently identified with the Republican party in this State. He was the first Republican candidate for Mayor of San Francisco, and held several Federal and State offices. He resigned the Presidency of the Union Insurance Co., after holding the office a little over two years, upon receiving the nomination for Governor. At the time of his death he was agent for the Pacific Coast claimants under the Geneva Award, and was actively engaged in several mining enterprises.

—S. D. Ives, special for the Firemans Fund, is on a tour through the Pacific Northwest.

—Geo. H. Andrews, an able financier, has been elected Vice-President of the Mutual Life Ins. Co. of New York.

—J. F. Ferris, representing the Union Mutual Life Ins. Co. of Portland, Maine, is now in this city, and will probably remain for three months.

—We print an extract from A. R. Gunnison's paper on rules for apportionment, read at the annual meeting of the Underwriter's Association. Mr. Gunnison gives a test case which forced him to conclude that old rule is not upheld by the Courts, and must be rejected, and that the Kinne rule is the most satisfactory substitute.

—The fall of a row of seven or eight five-story tenements in New York, through defective materials and villainous construction, suggests the inquiry whether fire losses have not been increased by the erection of these sham buildings. The salvage would certainly be less, and the conscience of neither the contractor nor the capitalist builder would prevent the firing of a building the collapse of which was certain. Certainly insurance companies are interested in the enactment and rigid enforcement of good building laws.

—Thomas S. Chard now represents the Firemans Fund exclusively at Chicago, the Union of this city having established a separate department. The growing business of both companies rendered this step necessary. The Eastern field of the Union will comprise two departments, one of which will be under the management of Roosevelt & Boughton of New York, and the other, the western department, under the management of Thomas & W. A. Goodman of Chicago. Colorado has been placed in the home or Pacific Coast department. The Firemans Fund has established an Eastern of Atlantic branch, embracing the New England and Middle States, with C. W. Kellogg, late Vice-President of the Shoe and Leather, as Manager of the new department. Mr. Chard will have charge of the Central branch, embracing Mississippi Valley States, with headquarters at Chicago.

—Manager Stillman returned last week from a trip to Oregon and Washington.

—The Chicago agent of the Mutual Life Ins. Co., of New York, has been called upon to adjust a week's death losses aggregating $133,000.

—The Merchants Insurance Company of New York has entered this State. It has $386,698 assets and $106,339 net surplus. It was organized in 1850, and has a cash capital of $200,000. Messrs. Jacobs & Easton are the general agents.

—We are indebted to Manager Bennett of the Scottish Union and National Ins. Co. for a spirited picture of Abbotsford, the creation and residence of Sir Walter Scott, who was the first President (Governor) of the company.

—During Mr. Potter's recent visit East he established agents for the Sun Ins. Co. of this city at Grand Rapids, Mich., Buffalo and Albany, N. Y., Cincinnati, O., Springfield, Ill., and Pittsburg, Penn. The Sun now has agencies in about twenty-five of the principal cities of the East, all of which report direct to the home office.

—C. T. Hopkins, President of the California Insurance Company, has been East for the past three months, and will remain a month or so. He is giving the Eastern branch of the company a thorough overhauling, with a view to restricting the business in certain undesirable localities, extending it in others, and reducing expenses generally.

—New "chip-in" insurance associations now "bob up" on this Coast in numbers that defy any reasonable effort to "keep track" of them. Within the last few weeks a half a dozen in this State have gone through the form of incorporating, and are now scouring hill and dale, town and country, for victims, fees and dues. Three of these hat-passers are more or less exact copies of the Texas Self-Endowment Association, which has a branch in this city. They are the Mutual Endowment and Protective Association of Santa Rosa, the Minors' Mutual Benefit Association of Livermore, and Mutual Endowment Association of Oakland.

—Ducat & Lyon, representing the Home of New York and other companies, are the latest seceders from the Chicago Board.

—Geo. C. Boardman, Manager of the Ætna and C. F. Mullins, Manager of the Commercial Union, left for the Sandwich Islands on the 1st inst.

—The greater portion of H. M. Grant's paper on Local Agents, read at the recent annual meeting of the Underwriters' Asssociation, is printed elsewhere. Mr. Grant's paper is very comprehensive, and is highly spoken of.

—We reprint an extract from J. F. Houghton's paper on legislation and taxation, read at the Fire Underwriters' recent annual meeting. Mr. Houghton stigmatizes State legislation as subversive and confusing, and urges national legislation as the only practical remedy.

—The articles of incorporation of the Pacific Surety Company have been filed with the Secretary of State, and about all the stock has been taken. A strong board of directors has been chosen, comprising the following well known business men: Geo. C. Perkins, C. T. Hopkins, Henry Wadsworth, Albert Miller, Wallace Everson, Wm. Clift, Jos. L. Moody, A. P. Redding, Henry L. Davis, J. J. Valentine, J. N. Knowles. The company is about ready to begin operations. Its representative directory, an energetic management and abundant resources will insure the company a large and profitable business.

—J. L. Cunningham, Secretary of the Glens Falls Ins. Co., and Hon. Stephen Brown, one of the oldest directors and the largest stockholder of the company, are visiting the Coast, on a tour for purposes of recreation. They will visit the Yosemite and many other places of interest before returning to "York State." Mr. Cunningham is one of the foremost underwriters in the East, and has been Secretary of the Glens Falls Ins. Co. for the past fourteen years. During this long interval he has been so thoroughly engrossed in the work of advancing the interests of the company that he has indulged himself in but one brief vacation, of only two weeks' duration.

—F. A. Beck, with Henry Hewitt's agency at Portland, is visiting San Francisco.

—Peter Winne, of Denver, is making a new survey of New Mexican towns in behalf of the companies doing business from both sides of the Rockies.

—Recently there have been three incendiary fires in Cordero Valley, near San Diego. Last week four wheat stacks, valued at over $1,000, were fired by some miscreant.

—Geo. Easton, of Jacobs & Easton, has just returned from an extended trip East, and brings with him two new companies to be added to the firm's agency—to wit: the Merchants of New York, and the Concordia of Milwaukee. In other respects, also, Mr. Easton found the trip a very satisfactory one.

—Mr. Jabez Howes has received the appointment of Manager of the California Agency of the Union Mutual Life Insurance Co. of Portland, Maine. Mr. Howes has been very prominently engaged in the shipping business in San Francisco for the past thirty years, and from his extended acquaintance and recognized business ability he ought to be a very successful manager. The appointment was made by Mr. J. F. Ferris, who is now representing the company's interests on the Pacific Coast. The new agency, though scarcely a month old, has already sent the company about one hundred thousand dollars in new business.

—There is a significant correspondence between the extraordinary fire losses and the failure of the cotton crop in Texas during the last two or three years. As the cotton crop is likely to be a failure again this year, another bad year for fire insurance companies may be confidently anticipated. If there is no cotton there is no money for the country merchant, and the claims of the wholesalers becoming very pressing. Relief is frequently found in a fire and a check from the insurance company. Other interests are affected by the failure of the cotton crop, and there is a corresponding temptation to hold bankruptcy at bay with a demand on the insurance companies. This is common talk and a favorite joke in Texas. The fire loss ratio will go down when the cotton crop goes up. "People must live."

—The *Insurance Monitor* is "paintin' 'er *green*."

—A. F. Sewell, formerly special with the Oakland Home in Oregon and Washington, has been appointed a special agent for the Union Insurance Company of this city.

—The valuable paper on the fire department and water supply of the Pacific Coast, by Edward Brown, is printed in full in this month's COAST REVIEW. It abounds in a great deal of useful information, and will be preserved by all interested in underwriting in this field.

—Mr. Richard A. McCurdy, for more than twenty years the Vice-President of the Mutual Life Insurance Company of New York, has been chosen as successor of the late President Winston. Mr. McCurdy is an exceedingly able life insurance man, and his election to the Presidency of the Mutual Life is admitted on all sides to have been the best choice that could possibly have been made. It is freely predicted by competent judges that in several particulars the company will profit by the elevation of Mr. McCurdy to the Presidency, for he is without those natural prejudices of old age which refuse or are slow to surrender old ideas and methods and adopt those growing out of new conditions. Mr. Winston expressed the wish that he should be succeeded by Mr. McCurdy.

—Charles Albee, by his attorney, Milton E. Babb, has begun suit against the Home Benefit Association of San Francisco, to recover money paid into the association for dues and assessments, and to declare void the contract of "chip-in" insurance issued by that hat-passer. The plaintiff claims that the Home Benefit is not a legal corporation, and that he has been deceived. The association certainly has heretofore done an illegal business, and it is very doubtful if the new statute authorizes it to continue business even as a purely mutual organization. Until this question is decided by the courts, the members of the Home Benefit Association must remain in doubts as to its legal status and survival. If the suit brought by the dissatisfied member, Albee, should be successful, the association will have to wind up instanter.

—Auditor Brown of Iowa still feels considerably put out over his loss of office.

—O. N. Hall, special with the Scottish Union & National, has just returned from a three months' special trip through Oregon and Washington Territory.

—We print this month Geo. W. Dornin's paper on the classification of risks. Mr. Dornin thinks that a much better system than any prevailing is easily practicable and greatly to be desired. The paper is original and the system recommended is a thorough and valuable one.

—The Lloyds Plate Glass Insurance Company of New York, recently admitted to this State, has appointed Messrs. Brown, Craig & Co. as its general agents. The Lloyds has $179,349 assets, of which $100,000 is paid-up capital. Its surplus to policyholders is $165,481. It is stated that the company recently wrote the largest policy ever written on plate glass—$30,000 on the Chicago Merchants' Exchange.

—Fire insurance companies writing the most risks in the city of London, Eng., are as follows:

	Amount insured.
Sun	$395,818,230
Phœnix	355,562,795
Law	244,538,095
County	229,362,820
North British & Mercantile	225,475,375
Liverpool & London & Globe	188,263,575
Royal	169,542,680
Imperial	138,353,795
Commercial Union	110,975,135
London Assurance	103,264,535
Guardian	103,259,060

—Acknowledgments are made as follows: Fire Hazards in Textile Mills, Mill Architecture, and means for Extinguishing Fire, by C. John Hexamer, Philadelphia, price $1.00; Law of Averages, price 25 cents, published by W. H. Burr & Co., Detroit; two New York Fire and Marine Reports for 1884; Connecticut Fire and Marine Reports for 1884; Bradford's Handbook of Mutual Life Assurance, James Curtis, printer, Ballarat, Australia; Baltimore *Underwriter* chart; Pennsylvania Fire and Marine Reports for 1884; Massachusetts Fire and Marine Report for 1884; Proceedings of the Texas Association of Fire Underwriters.

—The Illinois Senate Insurance Committee has reported favorably on a bill making any one of a number of fire insurance companies interested in a loss liable for the whole? What next?

—A new Indiana law requires foreign insurance companies to have a cash capital of $250,000, of which $100,000 must be invested in stocks created under the laws of the United States.

—The Concordia Insurance Company of Milwaukee, Wis., was recently admitted to do business in this State, and has appointed Messrs. Jacobs & Easton, general agents. It was organized in 1870, and has $442,593 assets, of which $200,000 is paid-up capital. Its net surplus is $90,987.

—Since the refusal of the insurance companies to write policies on buildings in Idaho, under the new valued policy law, property-owners offer to waive all rights under the statute. If such a waiver were good in law, it would nevertheless be unwise to accept the waiver, in view of the action of the Compact Association; but as the courts have repeatedly decided that there can be no legal waiver of statutory provisions, the Idaho property-owners must look to their Legislature for relief.

—Auditor Brown, of Iowa, may have been careless in the management of his office, and he certainly blundered in countenancing the exorbitant charges of Examiner Vail whom he employed; but it is equally certain that the Iowa companies needed a thorough investigation, and it is not to be gainsaid that the Governor of Iowa was guilty of a gross and dangerous abuse of power when he employed a company of the State militia to batter down the doors of the Auditor's office and oust that official. The refusal of the Auditor to step down and out at the command of the Governor was a question for the courts to settle. The unrepublican conduct of the Iowa Executive is proof of the the weakness of his case. Perhaps the secret of his high-handed proceedings is to be found in the fact that he is President of the Globe Ins. Co. of Des Moines, which the Auditor's rulings compelled to assess its stockholders to make good a $10,000 impairment of ca pital.

—The New Hampshire Fire Insurance Co. is about to erect a large fire-proof building in Manchester, for home-office use.

—Ed. C. Morrison, for the past six years First Auditor of the Oakland Bank of Savings, has been appointed special agent of the Oakland Home Ins. Co. Mr. Morrison was at one time connected with a prominent local fire insurance agency in Oakland, and is therefore familiar with the details of the business. He is well qualified in several important respects to make a first-class special.

—A wall for a wall! Messrs. Widener and Elkins are erecting a building at No. 423 Walnut street, this city, next door to that of the Jefferson Insurance Company. They have run up the west wall of the back building exactly on their line, whereas the east wall of the Jefferson Company's rear structure is five feet from the line, to afford light to the back offices. The Jefferson people sought to have Messrs. Widener and Elkins put back the line of their building five feet also, but they refused. The insurance people then began to build a nine inch wall directly on their line, thus practically closing the windows of the other side as high up as the third floor. All the lawyers having offices in the insurance building have offered their services gratuitously in case a lawsuit should result from this summary course.—*U. S. Review, Philadelphia.*

—Ohio, Wisconsin, Missouri, Texas and Idaho have valued policy laws. That such laws increase the fire loss by stimulating incendiarism, or incendiary negligence, is clearly shown by the loss ratios on the Ohio business before and after the enactment of the Howland valued policy law. The average loss ratios for 1877, 1878, 1879 and 1880 were 41, 41, 46 and 44 per cent. respectively. For the four years under the valued policy law the average loss ratios were as follows: 1881, 57 per cent.; 1882, 58 per cent.; 1883, 52 per cent.; 1884, 73 per cent. This is an increase of 30 per cent. The increase in the loss ratio, under the valued policy law, has been about 40 per cent. in Missouri; 28 per cent. in Wisconsin, and 32 per cent. in Texas. Rates have been steadily advancing to correspond with this increased loss ratio.

—Philadelphia will spend $3,000,000 in improving its water supply.

—The Union Mutual Life of Maine has a new and better office in New York. James H. Blouvitt is no longer the agent for that city. His temporary successor is R. H. Matson.

—At the beginning of the fire in the Langham House in Chicago, a great many hand grenades were broken in a vain effort to extinguish the flames. The building burned to the ground. In an adjoining building, which was also burned, there were stored 5,000 hand grenades, for which the owner has presented a claim against the insurance companies!

—By an act of 1884 it was made a misdemeanor for a New York person to procure a policy in a company not regularly licensed to do business in the State. A new law authorizes the Insurance Superintendent to license certain persons to procure policies in unrepresented companies on filing affidavits showing that fair effort has first been made to obtain the amount required in represented companies.

—During his recent trip East, L. B. Edwards, General Agent of the Oakland Home, appointed agents for his company at Little Rock, Ft. Smith, Helena and Pine Bluff, Ark.; Louisville, Ky.; Hannibal, Sedalia and Kansas City, Mo.; Des Moines, Iowa; Atchison, Topeka, Lawrence, Fort Scott and Kansas City, Kansas; and Denver and Pueblo, Colorado. The Oakland Home also has agencies in Chicago, St. Louis and Detroit. M. W. Early, of Dallas, is the special agent for Texas, and has appointed local agents in all brick towns in that State.

—At a recent social gathering of ladies, all wives of gentleman prominent in insurance circles, incidental reference to "underground" insurance disclosed the fact that with one exception there was a surprising ignorance of the meaning of the term. This knowing lady triumphantly informed the others that "underground" insurance was the insurance of goods stored in basements, which were regarded as very profitable risks. Her lucid explanation was greeted by chorus of "Oh, yes, of c-o-u-r-s-e! How very stupid in us."

1856 1885.

SUN

MUTUAL INSURANCE COMPANY.

Office: 50 and 52 Camp St., New Orleans

Statement Jan. 1st, 1885.

ASSETS.

Stocks and Bonds	$143,188 30
Loans on Mortgages and Collaterals	165,740 89
Bills Receivable	9,043 65
Real Estate	65,000 00
Premiums in course of Collection	58,007 69
Cash in Bank and on Hand	183,746 45
Total Assets	**$924,726 98**

LIABILITIES.

Dividends on Stock unpaid	$ 29,215 18
Unpaid Losses and Unadjusted Claims	44,335 00
Unearned Premiums on Policies not yet terminated (contingent)	144,330 00
Total Liabilities, Real and Contingent	$217,880 18
Net Surplus as regards Stockholders	$206,846 80
Capital Stock	**500,000 00**
Net Surplus as regards Policy-holders	**$706,846 80**

JAS. I. DAY, President. *L. M. FINLEY, Vice-President.*

H. CARPENTER, Secretary.

JOS. C. JENNINGS & CO., GENERAL AGENTS,

OFFICE: 317 CALIFORNIA STREET, SAN FRANCISCO.

—Will Eason, of the editorial staff of the Stockton *Daily Herald*, called on the REVIEW last week. The *Herald* has temporarily suspended. Mr. Eason was formerly associated with the COAST REVIEW.

—Speaking of loud-mouthed opponents of old line companies, Superintendent McCall of New York says they pursue the most objectionable methods themselves. In prominent cases of the kind coming within the censure of the Department, "the names of former agents of defunct life insurance companies appear conspicuously. If mentioned they would be recognized as the inventors of chimerical plans, and the stentorian advocates of corporations whose weakness was their chief feature." We are almost persuaded that this is a pointed thrust at Harper of the Mutual Reserve Fund Life, who was formerly an agent of a legitimate life company, and is "chimerical" and "stentorian." But there is nothing chimerical about his royal salary.

—The rival hand-grenade companies are engaged in a newspaper controversy, and both prove that the other's grenade is worthless. "When rogues fall out," etc. For example, the following:

The San Francisco Fire Patrol have been carrying Harden grenades on their wagons for several months and have used them on fifteen or twenty fires, without success in a single instance, and last week threw them off the wagons and utterly discarded them in disgust. For the absolute truth of this we refer the public to the officers and men of the Patrol. Again: The Indiana Hospital for the Insane was destroyed by fire after one hundred Harden grenades had been thrown into the flames. Major & Knapp's engraving establishment in New York was destroyed by fire after an immense number of Harden grenades had been unsuccessfully used.

In the opinion of the REVIEW, and insurance men generally, all other grenades are equally worthless. A little water that is "get-at-a-ble" is much better. One of the companies is accused, by the other, of using green wood in constructing frames for test fires. The experiment made the other day at the corner of Battery and Market streets was such a failure that the rival company prints a gleeful account of it. Every reader of the grenade literature will admit that the extinguishers produce a great deal of gas.

—It is suggested that Attorney-General Marshall should be called Old Necessity, as he knows no law.

—The $10,000 deposit law of North Carolina has been repealed, and the license tax reduced from $125 to $50. Loss and average clauses in policies are annulled, but the three-fourths value clause is allowed. "Underground" insurance is declared to be valid.

—At the annual meeting of the Underwriters' Association of the Pacific the Kinne Rule was adopted as the best rule for the adjustment of non-concurrent policies. The report of the committee (Mr. Gunnison) on this subject is printed elsewhere. Copies of the rule can be had of Col. Kinne. The rule was published in full in the REVIEW for March, 1884. It is to be hoped that the recommendation of the Underwriter's Association will secure the general adoption of the rule on this Coast. The important thing is to employ a uniform rule.

—"The COAST REVIEW seems to argue that there should be no pension fund of any kind for firemen," says the *Western Fireman*. No; the COAST REVIEW argues nothing of the kind; but it contends that such pensions should be paid only to such firemen as incur disabilities in the discharge of their duties, or to the families of firemen killed while performing such duties; and the COAST REVIEW further contends that it is the duty of the city to pay such pensions, and declares that any law compelling insurance companies to pay such pensions is legalized robbery. Firemen deserve liberal wages and generous indemnity for injuries received in the performance of their hazardous duties; but such indemnity should come from the tax-payers —from speculators in unimproved real estate as well as from the prudent man who insures his property. Cities have no more right to ask the insurance companies to pay firemen's pensions than to pay their wages. This is a dead topic, so far as California is concerned; but it may be well to put the COAST REVIEW on record as the friend of the fireman. The *Western Fireman* is referred to page 95 of the February COAST REVIEW for a full expression of our position.

—Premium receipts from St. Louis business last year aggregated $1,698,525. The losses were $1,482,509, or 87 per cent. Thirty-eight out of 130 companies paid out more than they received.

—It is said that the stacking or "mowing" of new hay on old hay frequently results in spontaneous combustion. As there have been numerous hay fires in California during the past two months, a little inquiry might result in evidence confirming or upsetting this theory.

—A story having got abroad that the Fidelity and Casualty Ins. Co. had discontinued the business of inspecting and insuring steam boilers, the company has deemed it worth while to deny the story in a circular stating that there is no intention of discontinuing the steam-boiler branch.

—Secretary Hall, of the Oregon Fire and Marine, passed through this city, homeward bound, last week. In common with several San Francisco underwriters who have visited the East recently, Mr. Hall finds the outlook for profitable business on the other side of the Rockies very unpromising.

—The Massachusetts Legislature has passed an excellent bill regulating co-operative insurance companies which do business by means of soliciting agents. The emergency funds are to be deposited in proper securities with the Treasurer of the Commonwealth and to be drawn only by the requisition of two-thirds of the directors, approved by the Insurance Commissioner. Another provision requires the consent of two-thirds of the persons insured to any act of consolidation or transfer of membership. The associations are to be held accountable for the prompt payment of death losses, under the penalty of an injunction upon their business, of a searching investigation by the Insurance Commissioner, and in certain contingencies of being placed in the hands of a receiver. Insurable interest is required of the beneficiary or his assignee. The sum to be paid in the event of illness, accident or death must be named in the policy, and if this sum is not paid, the association must wind up. The Governor has signed the bill.

—Our correspondent at Fresno sends us the following item of news: The members and officers of the Fresno Skating and Social Club are as follows: H. A. Snyder, President and Teacher; W. L. Chalmers, Secretary and Treasurer; O. C. Duffy, Trick Skater; F. K. Rule, C. P. Ferry, A. F. Sewell, C. Van Dyck Hubbard.

—The trustees of the People's Mutual Benefit Association of Ohio voted themselves "back pay" for services during former years, but the Attorney-General put a stop to that kind of business, and was sustained by the Supreme Court. Mr. Marshall, of California, unfortunately for the wild-cats of Ohio, is not the Attorney-General of that State.

—The following comparative table shows the encouraging progress of industrial insurance in this country last year, in the face of hard times and loss of employment by a vast number of laboring people:

	1883.		1884.	
Company.	No. of policies.	Amount insured.	No. of policies.	Amount insured.
Metropolitan..	526,042	$56,536,325	670,999	$71,965,635
Prudential...	273,917	23,053,935	324,794	28,545,189
Jno. Hancock.	63,625	6,730,902	80,629	8,936,611
Germania.....	13,750	1,472,488	16,107	1,667,817
Total.....	877,334	$87,793,650	1,092,529	$111,115,252

—At its fourth annual meeting last month the Texas Association of Fire Underwriters adopted the following iron safe clause: "The assured, under this policy, hereby covenants and agrees to keep a set of books, showing a complete record of business transacted, including all purchases and sales, both for cash and credit, together with the last inventory of said business, and further covenants and agrees to keep such books and inventory securely locked in a fireproof safe at night, and at all times when the store mentioned in the within policy is not actually open for business, or in some secure place not exposed to a fire which would destroy the house where such business is carried on, and, in case of loss, the assured agrees and covenants to produce such books and inventory, and in the event of the failure to produce the same, this policy shall be deemed null and void, and no suit or action at law shall be maintained thereon for any such loss."

—The regular quarterly meeting of the Insurance Journalists' Association was held in Boston last month.

—A useful and well-written article on life insurance, by "J. F.," appeared in the Portland *Oregonian* of April 23.

—The Texas Association of Fire Underwriters have agreed that all policies on buildings in that State shall contain three-quarters value and loss clauses.

—After a fire in Boston the insured claimed $33,000, but were willing to accept $30,000. The insurance companies were willing to pay $24,000. The adjusters found the loss to be $16,200. It is believed the claimants were entirely honest.

—What is practically the first annual statement of the Oregon Fire and Marine Insurance Company of Portland, for the year ending December 31, 1884, has been made public. We abridge the statement as follows: cash capital, $220,100.00; assets, $277,673.56; net surplus, $23,354.15; premiums, $60,593.57; losses, $34,403.67; total income, $78,412.23; total expenditures, $49,094.66.

—A new play is called, "Are You Insured?" The answer might be: "No; I am a member of a co-operative."

—Hand grenades occasionally explode while hanging in their racks. Several recently exploded at Columbus, O.

—The Pennsylvania fire insurance companies paid in losses and expenses $448,363 more than their premium receipts.

—Thomas J. Finney, the Chicago agent of the United States Life Ins. Co., has been arrested for the alleged embezzlement of $1,300. He has failed to "turn over" that amount of his collections.

—A large policy was that effected by the Long Island Railroad Company in the Liverpool & London & Globe for $1,498,793. The policy is for one year, and covers the rolling stock, depots and equipments.

—"Smith, why don't you get your diamonds insured?" said Jones. "Where can I do that?" innocently asked Smith. "Why, at any plate glass insurance company, of course," replied Jones, and now they "do not speak as they pass by."—*Chicago Argus.*

ACCIDENT DEPARTMENT

THE PACIFIC MUTUAL LIFE INSURANCE COMPANY

OF CALIFORNIA.

PRINCIPAL OFFICE, 418 California Street, San Francisco, Cal.

ORGANIZED A. D. 1867.

ASSETS, December 31, 1884 - - - - - - $1,263,014 22

The Managers of this corporation beg leave to announce that they have, as contemplated by their articles of association, organized an Accident Department, with

THOMAS BENNET, Manager, and W. H. DAVIS, Superintendent of Agencies.

And that hereafter they will, in addition to life business, transact the business of Accident Insurance.

Rates the same as those of other standard American accident companies. Policy provisions more liberal and less technical. Are NONFORFEITABLE and WORLD WIDE.

INDEMNITY THIRTY WEEKS.

The patronage of the public is solicited.

CAPABLE AND RELIABLE AGENTS WANTED.

The United States Life Insurance Co.

IN THE CITY OF NEW YCRK.

(ORGANIZED IN 1850.)

261, 262 & 263 BROADWAY, NEW YORK.

T. H. BROSNAN, President.

C. P. FRALEIGH, SECRETARY. A. WHEELWRIGHT, ASSISTANT SECRETARY. GEO. H. BURFORD, ACTUARY.

All the profits belong to the Policy-holders exclusively.
All Policies henceforth issued are incontestable for any cause after three years.
Death Claims paid at once as soon as satisfactory proofs are received at the Home Office.
Absolute security, combined with the largest liberality, assures the popularity and success of this Company.
All forms of Tontine Policies issued.
GOOD AGENTS, desiring to represent the Company in California are invited to address

J. W. HOWELL, Manager, 235 Kearny Street, S. F.

Comparison of Business.	1883.	1884.
Payments to Policy-holders for Death Claims, Endowments, Annuities, Surrenders and Dividends	$475,923 98	$636,149 13
	1881–1882.	1883–1884.
New Insurance Written	$5,664,211 00	$9,111,488 00
	Dec. 31, 1882.	Dec. 31, 1884.
Insurance in Force	$17,167,105 00	$19,769,864 00

Interest due and unpaid on Total Assets, December 31, 1884, NONE.

SURETYSHIP.

AMERICAN SURETY COMPANY

CASH CAPITAL, $500,000.

General Office, 160 Broadway, New York.

RICHARD A. ELMER, Pres. LYMAN W. BRIGGS, Vice-Pres.

This Company will act as surety on Bonds required in the Courts. It is the only Company organized in the United States devoted exclusively to Suretyship, and with all its assets invested in this country. It guarantees the honesty of Officers and Employees of Railways, Banks, Telegraph, Telephone and Express Companies, and persons employed by corporations and business houses holding positions of trust and pecuniary responsibility.

E. D. L. SWEET & SONS.....Western Managers, Chicago
HENRY K. FOX.....Agent and Attorney, Philadelphia
GODFREY MORSE.....Agent and Attorney, Boston
BASCOME & MUNSON.....General Agents, St. Louis

BROWN, CRAIG & CO.,

General Agents for the Pacific Coast.

C. VAN DYCK HUBBARD, Manager.

429 CALIFORNIA STREET, SAN FRANCISCO.

COAST REVIEW.

A MONTHLY JOURNAL, DEVOTED TO FIRE, MARINE, LIFE AND ACCIDENT INSURANCE.

J. G. EDWARDS, Proprietor,

320 Sansome St., (Room 14), San Francisco, Cal.

(Take the Elevator.)

VOL. 20. JUNE, 1885. No. 6.

Digest of Recent Insurance Decisions.

FIRE.

OVERVALUATION — ENCUMBRANCES. — The defense was that the property (household furniture) had been largely overvalued, and that encumbrances were subsequently placed on it without the company's consent and in violation of provisions of the policy. Plaintiff replied that he was an ignorant German unable to read English, and offered to prove that the company's agent filled the application and placed his own value on the property. This evidence was rejected by the lower court, and the jury returned a verdict for defendant, according to instructions. *Held*, That the placing of encumbrances on the property subsequent to the date of the policy, and the overvaluation of the property were both known to the insured, and were therefore plain violations of the provisions of the policy. The fact that the agent was not the agent of the insured made no difference.—*Nassouer* v. *Susquehanna Mutual Fire Ins. Co.*; *Penn. S. C.*, *April* 9, 1885.

TITLE—EXECUTION.—The levy of an execution upon personal property is not such a change in the title of possession as will render void a policy of insurance upon the property which provides that "If the property be sold or transferred or any change takes place in title or possession" the policy shall be void. The possession of the sheriff under the levy is but qualified possession, and in no way opposed to a possession by the execution debtor so far as necessary to preserve the property from spoliation or destruction. — *Western Assurance Co.* v. *Layer; Ky. Superior C., Feb.*, 1885.

CHANGE OF OWNERSHIP — INCREASE OF HAZARD. — Policy contained a stipulation that the mortgagee should notify the company of any "change of ownership or increase of hazard" which should come to the latter's knowledge. The company contended that the commencement of a foreclosure proceeding would operate as a change of ownership and thereby avoid the policy. *Held*, That where mortgagee paid the premium on a policy of insurance issued to the mortgagor on the mortgaged property, and the mortgage clause in such policy provided that the mortgagees should notify said insurer "of any change of ownership or increase of hazard which should come to their knowledge," the commencement of fore-

closure proceedings by the mortgagees cannot be regarded as a "change of ownership" or be presumed to increase the hazard, and the policy will not be invalidated thereby. —*Phœnix Fire Ins. Co.* v. *The Union Mut. Life Ins. Co.; Ind. S. C., April* 9, 1885.

LEASED PREMISES.—If the property of the lessors in a gin-house, gin, grist mill, boiler, etc., be insured by the lessees with the consent of the owners, the policy containing a clause that the loss, if any, is to be paid to the lessees (the lease providing for rebuilding any property destroyed by accident or fire at the expense of the lessees), the insurance money, in case the property is burned, will be paid to the lessees for the purpose of replacing the destroyed property, and if they refuse to so apply it, the owners would be entitled to receive the insurance money with interest from the time of their refusal to so apply it. — *Tenn. S. C., April* 25, 1885.

TITLE — MISREPRESENTATION. — When he effected the insurance, plaintiff was mortgagee of a third mortgage, or mortgagee of the equity of redeeming the first two mortgages. He neither made nor attempted to make any written application, nor was he requested to make one by the defendant's agent, but simply said he had some buildings that he wanted insured, naming them. No further mention of the nature of this interest was made, nor was he questioned in relation thereto. Defendant claimed that this was a misrepresentation of title. *Held*, That it was not a misrepresentation. A mortgagee may insure as general owner without disclosing his particular interest, unless it is inquired about.—*Buck* v. *Phœnix Ins. Co.; Maine S. J. C., Feb.* 27, 1885.

INSURABLE INTEREST. — A mortgagor who subsequently disposes of the premises has an insurable interest arising from his personal liability on the bond or note, and consequent interest in preserving the property. The insurable interest of the insured was not limited to the equity of redemption of the mortgages.—*Ibid.*

SELF-EVIDENT INCREASE—RIGHTS OF MORTGAGEE UNDER MORTGAGE CLAUSE—EFFECT OF ORAL RENEWAL—KNOWLEDGE OF BROKER.—A wooden drying-house, one story high, heated by steam from the boiler in the main building, was erected seven feet distant from a brick planing mill insured. *Held*, That the drying-house was a self-evident increase of risk, and a contrary finding by a jury could not stand. *Held*, That the erection of the drying-house by the mortgagor insured, would not invalidate the original policy as to the mortgagee under a mortgage clause stipulating that his interest should not be invalidated by any act or neglect of the mortgagor. The fire occurred after the expiration of the policy, but it was claimed to have been renewed by oral agreement. The policy provided that it might be renewed by payment of premium, but any failure to notify the company of increase of hazard at the time of renewal, should render it void; also that the mortgagee shall notify of any increase of hazard within his knowledge, and if not permitted, shall pay the increased rates. The broker acting for the mortgagee knew of the increased hazard at the time of renewal. *Held*, That the knowledge of the broker is imputable to his principal, the mortgagee, and failure to make known the increase defeated the claims of the latter under the policy. The evidence of the broker, purporting to give the whole conversation in which the alleged oral renewal was made, contained no reference to an increase of risk. The plaintiff in the trial below acquiesced in the assumption of the court that no disclosure had been made. *Held*, That the assumption cannot be disputed on review.—*Cole* v. *Germania Fire Ins. Co.; N. Y. C. A., April* 14, 1885.—*Ins. Law Journal; June.*

MARINE.

BILL OF LADING.—When a bill of lading and insurance policy covering any loss on the goods named in the former are signed at the same time, but the policy describes the property as having been already shipped by the carrier, the insurance company will be held to be affected with notice of any reservation in the bill of lading and chargeable with notice of the circumstances of the contract for transportation entered into be-

tween the shipper and the carrier.—*British & Foreign Marine Ins. Co.* v. *The Gulf, Colorado & Santa Fe Railway, Texas S. C., Feb.*, 1885.

DEVIATION IN VOYAGE—LIABILITY.—In an action upon a policy of marine insurance bearing an implied warranty that the vessel insured shall not deviate from the voyage declared in the policy, *Held*, That any voluntary deviation is a change of the risk, and forms a departure from the contract, so as to discharge the insurers from liability for any loss happening to the thing insured subsequent to such unauthorized deviation. —*Shroeder* v. *Lloyd; Cal. S. C., Jan.* 10, 1885.

INSURABLE INTEREST—FREE ON BOARD.—In the case of Inglis *vs.* Stock, decided by the English House of Lords, it appeared that the plaintiff, a sugar broker, bought through agents and directly two lots of 200 tons each of German sugar, to be delivered to his order f. o. b. The vendors accordingly shipped on board a vessel from Hamburg a large quantity of sugar, including this 400 tons, which, however, was not distinguished from the rest of the cargo, and the plaintiff insured it with the defendant. The House of Lords, affirming the decision of the court below, held that the sugar being shipped f. o. b. was, when delivered on board, at the plaintiff's risk, and that he had thus an insurable interest therein.

LIFE.

DISCHARGED AGENT'S INTEREST IN FUTURE PREMIUMS. —Agent H was discharged because of a deficit in his accounts. Action was brought against his bondsmen, and it was sought to set off against amount claimed from them the interest he had in future commissions. *Held*, That, waiving any discussion of the question whether any set-off can be allowed in a suit brought, as this was, before the commissions became due, we proceed to consider whether H has any right at all to the commissions in question. While he remained agent he had a right to collect the premiums, and, of course, a right to his commissions, and if the plaintiff had wrongfully deprived him of his agency it would lay the foundation for a recoupment of the damages resulting from such wrongful act. It becomes apparent, therefore, to inquire whether his removal was justifiable. Manifestly it was; and not only so, but a positive duty, which had the directors of the company neglected would practically have made them guilty participants in any future defalcation by the same agent. Such conduct on their part would wrong both the stockholders of the company and the sureties of the agent, and would shock the sentiment of common honesty. Nothing, say the defendants, except the mere right to obtain new insurance and issue new policies are the consequences of such a removal from office. As to all existing business and all renewals of existing policies, the agent takes the benefit of a continuance in office without any of its obligations, responsibility or labor. Such a doctrine, we believe, has no support in good reason or in law. Wherever an agent has been guilty of such misconduct as this case discloses, he deprives himself of the right to set up his broken contract as a continuing one for his benefit. — *Phœnix Mutual Life Ins. Co.* v. *Holloway; Conn. S. C. of E., May*, 1885.

BIGAMIST'S BENEFICIARY. — One Mueller took out a policy of life insurance for the benefit of "his wife Maria," by whom he had children and with whom he continued to live as his wife until his death. *Held*, That Maria had an insurable interest in M.'s life, notwithstanding he had a prior undivorced wife in life at his death.—*In Estate of James Mueller, Penn. Orphans' Court, P. L. J., April* 1, 1885.

FRATERNAL.

FORFEITURE. — The Constitution of the Ancient Order of United Workmen provides that on the notice of the death of a member being transmitted by the grand recorder the subordinate lodges shall make an assessment of $1 upon each member holding a certificate, etc., and that written or printed notices of assessments shall be made and sent by the financier not later than the 8th day of the month in which the notice was issued by the grand recorder. In an action

of a widow of a deceased member for the amount due under his beneficiary certificate in pursuance of the Constitution of the Order, the defense was set up that, before his death, he had forfeited his certificate by reason of failing and refusing to pay an assessment that had been made for a certain month. The plaintiff (widow) had a judgment. On appeal that judgment is affirmed, because the court find, on inspection of the record, that there was no evidence at the trial that an assessment had ever been made by the subordinate lodge of which the deceased was a member for the month in question, in pursuance of the above statutory provision. — *Agnew* v. *Grand Lodge United Workmen; St Louis C. of A., April* 7, 1885.

A California Supreme Court Decision—Watchman Clause.

Following is the decision of the Supreme Court of this State, filed May 14, 1885, in the case of The Trojan Mining Co. *v.* The Firemen's Ins. Co. of Baltimore, and other companies. The point involved was the construction of the watchman clause of the policy. The mining company contended that it was required to merely *employ* a watchman, and that the failure of the latter to remain at his post did not exonerate the insurer. The court decided that the defendant companies were not liable. The decision in full is as follows:

Action on a fire insurance policy. The policy contained the following clause:

"It is agreed and understood that during such times as the above works are idle a watchman shall be employed by the assured, to be in and upon the premises day and night."

The allegation in the complaint on that subject is as follows: "That at the time of such fire, and for some time prior thereto, the works of said corporation, so assured, as aforesaid, were idle, but during all said time a watchman was employed by plaintiff in and upon the premises, day and night, and said watchman was upon said premises at the time of said loss and damage, as aforesaid."

The denial is as follows: "And defendant denies, and says it is not true, as alleged in said complaint, or at all, that during all the time the works of said corporation were idle, as alleged in said complaint, a watchman was in and upon the premises day and night."

In the answer there is also an allegation as follows: "That at the time said fire occurred, and for more than two hours prior thereto, no watchman was in and upon the premises upan which said works, insured as aforesaid, were situated."

It is contended by plaintiff that the allegation of the complaint as to the watchman is not denied. The complaint states that a watchman was employed by plaintiff *in and upon* the premises day and night, and *was upon* the premises at the time of the fire. The answer denies that a watchman was in and upon the premises day and night, and avers that at the time of the fire, and for more than two hours prior thereto, no watchman was in and upon the premises. The denial seems to us to be plain and unequivocal. The appellant urges that by the terms of the policy it was to *employ* a watchman to be in and upon the premises, and if the watchman staid away, the insurer is not exonerated, under Section 2,629, Civil Code. If there is any difference in the meaning of the words used in the policy and those used by the pleader, the latter seems to have attached to them the meaning that the watchman, employed by the plaintiff, *was in and upon* the premises day and night (not that he was employed to be there and neglected his employment), and, moreover, the plaintiff alleged that he was there at the time of the fire; and thus the issue was presented as to the fact whether or not the watchman was there. On this subject the court found as follows:

"That during the time that said premises were so idle and unoccupied, plaintiff failed to and did not keep a watchman in and upon, or in or upon, said insured premises day and night. That no watchman was in and upon, or in or upon, said insured premises nightly from and after the hour of 10 o'clock, or thereabouts, until an early hour of each morning thereafter. That no watchman was in and upon, or in or upon, said in-

sured premises between the hours of 10 o'clock P.M., or thereabouts, on the evening preceding the fire alleged in the complaint of plaintiff, and the hour when said fire occurred. That a watchman employed by plaintiff to watch the insured premises slept nightly in a small building located across the road from said insured premises, and from 100 to 120 feet, or thereabouts, distant therefrom That said building was owned by plaintiff, but was situate upon ground not owned by plaintiff. That the watchman so employed as aforesaid kept a watch-dog in the insured building, which had the whole range of the building on the inside, and was accustomed to bark loudly when any stranger approached said building."

The evidence is not before us. The findings respond to the issues, and clearly show that plaintiff was not entitled to recover.

It is unnecessary to notice the other points presented, as the above disposes of the case.

The judgment is affirmed.

Legal Notes.

One night a few months ago, just after a train of the Central Railroad of Georgia had passed through Barnesville, Georgia, a destructive fire broke out. On the theory that the conflagration was started by sparks from the locomotive, fifty-three suits have been brought against the railroad company, involving claims from one hundred dollars up, aggregating $122,635.

At Chicago, May 9, the Chicago University property was sold by the U. S. Marshal, under the mortgage held by the Union Mutual Life Insurance Company of Maine. There was only one bid, $275,000, made by a representative of the insurance company. Its total claim was about $310,000.

An insurance agent in England paid a premium for an applicant without authority. The policy being repudiated, he sued the applicant for the premium thus advanced. The court ruled that it would be "very inconvenient to hold that any insurance agent has by law implied authority to pay premiums, and compel any person to repay him."

Ninety-six per cent. of the stockholders of a Cincinnati company, the Citizens, favored an increase of capital. The four per cent. objected and petitioned for an injunction, claiming that the consent of all the stockholders was necessary. The injunction was refused.

Plaintiff's dwelling, which was destroyed by a tornado, was insured against fire and lightning. Expert witnesses testified that tornadoes were of electrical origin. Other expert witnesses testified that the house was destroyed by wind, and that lightning had nothing to do with its destruction. The jury found for the defendant. The Supreme Court of Wisconsin has sustained the decision of the jury, The wonder is that such a suit should ever have been brought.

The loss was payable to the mortgagee. The mortgagor and his widow died. The estate was never settled. The adjuster made an effort to compromise with the plaintiff; the latter refused, however, and demanded his payment in full, claiming that at least a third of the amount of the policies had been paid in premiums. Trial was had before a referee, who, after hearing the evidence, filed a report in favor of the plaintiff, holding that the companies in trying to compromise waived all right of defense.

In the United States District Court, at Dubuque, Ia., Mrs. Sadie McConkey has obtained judgment against the Travelers of Hartford, with costs, amounting to $5,560, on the life of her husband, who was found dead in his office with a pistol in his hand and his papers disturbed. Suicide was alleged. Examination showed a shortage of $11,000 in his accounts. The theory of the plaintiff was that he had been forced to open the safe by a burglar who, obtaining the missing money and securities, shot him and placed the revolver in his hand.

Gasoline or Naphtha Gas Machines.

The lighting of buildings with gas manufactured by simply passing a current of air through gasoline so as to evolve a vapor which rises very readily from it has now become so general as to deserve careful and

extended notice. Neither mechanical disturbance of the material, nor the application of heat, is necessary. The air itself readily takes up the vapor, and the gas resulting becomes merely a mechanical mixture, not a chemical union.

When the apparatus is safely arranged, the lighting of buildings in this manner may be safer than by movable kerosene lamps, especially in view of the fact that so much unsafe kerosene is now used; but there are many unsafe gas machines, the owners of which deceive property-holders and insurance agents with statements that their particular machines have been "approved by the underwriters." Every agent, therefore, should be thoroughly informed, so as to judge for himself as to whether a machine is safe or not, and as to whether the position in which it is placed, and the manner in which it is used, will justify his approval.

Gasoline or naphtha gas is simply a mixture of common air and gasoline vapor, in such proportions as to make it burn. The machinery usually consists of a metal tank or receiver for holding the liquid, and an air pump or "blower" to supply it with air. The air should be in a vault of masonry under ground, from thirty to fifty feet distant from the building to be lighted, if it is a dwelling, and from fifty to seventy-five feet distance, if it is a hotel, manufactory or other large building, requiring a greater number of burners. The aim should always be to mingle at such temperature that it will not separate or condense afterwards, especially at ordinary temperatures, as the tendency of the mixture, particularly when fire-heat is applied to make the liquid vaporize, is to condense in the pipes at any temperature materially lower than that at which it is generated, for which reason no artificial heat should be permitted.

The receiver should be lower than the air-pump or "blower" (or motor), and the pipes throughout the building should be inclined, so that any condensation will flow outside of the building and back into the tank or receiver. When the tank is lower than the building it is impossible for any of the liquid to flow into the building, and when a considerable distance intervenes between the tank and the building a further advantage is secured, the pipe passing under ground being cool, the gas is more likely to condense before it reaches the building, and a safer gas—one which is not likely to condense in the temperature of the building—enters the pipes.

The air-pump, "blower" or "motor," for forcing air into the gasoline tank, usually works by clock-work, the motive power being a suspended weight. As the air-pump requires frequent attention, and contains water which must not be allowed to freeze, and as it should be in a dry place, where the moving parts may not be injured by rust, some builders claim that it is necessary to permit it to be placed in the cellar of the building; but as furnaces are usually located in cellars, there would be a liability to great danger, if any of the gas should escape from the pump or blower into the cellar. The gas being heavier than the air, owing to the preponderance of carbon, is very liable to ignite at the furnaces and cause explosion and fire. For this reason the supply of air to the pump should, in all cases, be taken by an induction pipe from the outside of the building, so that any change of pressure by which the gas in the tank should happen to be forced back into the air-pump and through the induction pipe may not enter the cellar, as would be the case if the induction pipe opened into the cellar, but pass off into the outer air.

The gas of the tank may be forced back into the air-pump if the filling of the tank with gasoline is not properly done, as for instance, where the vent cock is not opened during the process of filling from the barrel, the pressure of the entering fluid would force the gas through the pipe leading to the blower.

In this way the cashier of the Continental Insurance Company lost his dwelling house and its contents. The air-pump took its supply of air from the inside or cellar of the building, and as he neglected to open the vent cock, while filling the tank, gas was forced through the air-pump and induction pipe into the cellar. A servant entering the cellar a few moments afterwards with a

lighted candle, caused an explosion, which fatally burned her and destroyed the building and furniture. The fire was peculiarly rapid, preventing the saving of anything of value.

The most approved gas apparatus now used has a vent cock so constructed that the cock for filling cannot be opened without opening both. An automatic clock valve is also provided in the pipe leading from the air-pump to the tank, which admits of passage only in one direction—*i. e.*, from the pump to the tank—and effectually prevents any pressure of liquid or gas in the opposite direction.

This valve is an improvement, but as it is liable to rust from dampness and to get out of order in consequence, it is not so reliable a precaution as the more simple one of having the induction pipe open into the outer air, where any gas escaping can do no harm.

There should be a cut-off stop-cock in the gas pipe at the building, to cut off the tank from the house, if occasion should require it, and another at the tank itself for the same purpose.

It would seem unnecessary to add that all of the apparatus—tank, air-pump and pipes—should be made of the best material and in the best manner. All of the pipes should be tested by competent persons before the gas is let on.

Particular inquiry should be made as to whether the person entrusted with the filling of the tank is informed as to the importance of having the vent open and the air-pump shut off before commencing to fill the tank, and as to the general danger of using a light in or near the gas-house or vault.

No barrels containing any of the materials should be permitted in or near insured buildings, and no empty gasoline barrels should be permitted near them, on account of the dangerous gas which such barrels always contain. It is claimed that a pint of gasoline will impregnate and make explosive 200 cubic feet of air. As we have elsewhere stated, it depends only upon the proportions in which gasoline vapor and air are mixed as to whether the result is a burning gas or explosive vapor. If the air is thoroughly carbureted it burns quickly; but if not, it explodes. For this reason the vapor faund in empty barrels is nearly always a highly explosive one.

NOTES.

"Processes have been patented," says Prof. Chandler, "and vendors have sold rights throughout the country of patented and secret processes for rendering gasoline, naphtha and benzine non-explosive. Thus treated, these explosive oils—just as explosive as before the treatment—are sold under trade names such as those before mentioned."

Such names are: "Safety Oil," "Danforth's Oil," "American Safety Oil," "Sunlight Non-Explosive Burning Fluid," "Aurora Oil," "Safety Gas," "Petroline." "Septoline," and so on, *ad infinitum*.

"It is not possible to make gasoline, naphtha or benzine safe by any addition that can be made to it. Nor is any oil safe that can be set on fire at the ordinary temperature of the air." At ordinary temperatures gasoline and naphtha are continually giving off inflammable vapor, and a lighted match or lamp, at some distance from the material itself, will ignite it through the medium of the vapor.

A Capital Thing for the Stockholders—The Hartford Life and Annuity Insurance Company.

Looking over the twentieth annual report of the Insurance Commissioner of the State of Connecticut, we regard with no little interest the statement of the Hartford Life and Annuity Insurance Company, which exhibits several points tempting further inquiry and criticism. At this time we would concentrate attention upon a single one, and that of such unique character as to render all others by comparison insignificant. It is suggested right in the very first line of the statement, which occurs under the head of "Capital," and, like the famous chapter on "Snakes in Ireland," which read, "There are no snakes in Ireland," this line reads, "No capital stock liable for losses."

Then we turn back to another part of the

report, showing the statement of the same company as to its present situation and its last year's record as a regular life insurance company, and find it parading a capital stock paid up in cash of $250,000. We further find, under the heading of "Income during the year," in this part of the report, a notable entry, as follows: Cash received from the Mutual Assessment Department for management and transaction of business of that department, $20,000. And under the heading of "Disbursements during the year," this equally notable and suggestive item: Dividends to stockholders, $20,000. And among the disbursements of the assessment department, as shown by the statement relative to that branch of the business, there appears this corresponding entry: Cash paid Stock Department for expense of management, $20,000.

What a swindle is here disclosed! It is simply amazing that the laws of Connecticut tolerate such a condition of things. The stockholders of the company incur no risk whatever by reason of its assessment business, nor do they render the slightest assistance to that department. The first assertion is proved by the quotation already made, "No capital stock liable for losses." The second is evidenced by these extracts from the disbursement account of the assessment department:

Commissions to agents	$92,167 05
Salaries and traveling expenses of managers of agencies, general, special, and local agents	16,439 67
Medical examiners' fees	8,576 82
Salaries and other compensation of officers and other office employés	11,520 64

All these and the other items of expense (the whole aggregating $166,859.29, apart from losses) were paid exclusively from the income of the assessment department, as both statements conclusively demonstrate. What, then, becomes of the pretense that the $20,000 of dividends to stockholders was paid out of the assessment funds for expense of management? That pretense is transparently false. What were the stockholders paid for? They rendered no service, assumed no liability. If there had been a thousand deaths in the assessment department, they could not have been called upon for a dollar; their funds would have been intact, and, as regards the assessment members intangible. The simple truth is that the capital of this company has never earned a dollar of dividend. For some time prior to the invention of the "safety fund plan" and the setting up of the assessment department no dividend was paid, and the stock was practically worthless. Really the capital was considerably impaired. The impairment has since been made good, not *by* but *to* the stockholders, out of levies upon the assessment department. The latter is a cow which the stockholders milk, without ever spending a dollar for stabling, care or pasturage, or being in the slightest degree responsible for any loss or damage that may happen to her. In every advertisement of the Hartford Life & Annuity this $250,000 of capital is made to figure conspicuously just as though it constituted a fund for the security of the assessment policyholders and was available for the payment of death claims in that department. No more impudent fraud was ever perpetrated upon confiding seekers for cheap life insurance. The capital, as respects those policyholders, is not a source of strength, but an element of weakness; it is not a security, but an insecurity; it is not a bulwark, but a sap and mine; it is not a vital force, but a leech.—*Insurance.*

"Other Insurance Permitted."

A fruitful source of loss to fire insurance companies is the permitting of other insurance without limit. Occasionally it is necessary to insert this clause, as in the case of merchants whose stocks vary largely in size according to trade and season; but in the vast majority of policies the permission of other insurance is needless. The practice is a pernicious one, for it is responsible for a considerable percentage of the fire loss. It unquestionably encourages over-insurance and incendiarism. The dishonest policyholder, perceiving his opportunity, insures his property for more than it is worth, and burns it, and perhaps burns exposed property, in the expectation of realizing the full amount of his insur-

ance, or at least more than his actual loss. He seldom succeeds, of course, but his failure does not deter other men of easy conscience from making the experiment. Why should a man over-insure his property if he does not expect it to burn? Will rational men pay the additional premium for over-insurance on the mere chance of burning? Certainly not. They over-insure because they have resolved to set fire to their property.

There is plenty of evidence to show that men who have over-insured have been guilty of arson, and that they expected to deceive the adjusters and rob the companies. They were willing to take the chances of getting more than their actual loss, in the belief that their crime would not be detected, and that the companies would fully indemnify them. It is, unfortunately, an easy matter to fire one's house or store, especially in village and country, without any reasonable fear of discovery.

The other day a merchant in a neighboring town, who had $3,000 on an $1,800 stock, was burned out. He claimed $3,000, but the adjusters outwitted him, and he was glad to get the amount of his real loss. There is no doubt that he fired the premises, and he turned incendiary because he expected to make ten or twelve hundred dollars as the price of his crime. Many men of fair standing, who are perhaps reasonably honest, when embarrassed financially will not scruple to get relief at the expense of "rich insurance corporations," which "will not miss the money." Should the insurance companies tempt him with over-insurance?

Another case came under our observation recently. A country merchant's stock being in the hands of the sheriff, an agent was ordered to cancel a policy on the goods. The merchant protested that it was "all right"—that he would discharge the obligation in a day or two and go on with business as usual. Being asked how much insurance he carried, he resented the inquiry as being "none of the company's business." He finally admitted that he was carrying $7,000 insurance. The stock was worth about $3,000. That was a great temptation for a "reasonably honest man" in the hands of the sheriff, or threatened with bankruptcy. Did this merchant pay those extra premiums on the bare possibility of burning? Assuredly not. The sheriff simply got ahead of him.

Clearly, there is need of reform in this matter. "Other insurance permitted" increases the premium receipts, but the gain is swallowed by augmented losses. Where there are no restrictions as to the amount of other insurance permitted, there is over-insurance and incendiarism.

Premiums and Losses by States.

The premium receipts and losses in the aggregate of fire insurance companies in the United States, in 1884, were as follows. For several of the totals we are indebted to the *Weekly Underwriter* of New York. By the way, we notice that a prominent insurance journal always copied the State tables appearing in the *Underwriter*, but never gave a line of credit. The reports were furnished our enterprising contemporary by the companies in advance of the Insurance Department reports, and it was entitled to the courtesy of a credit line:

	Premiums.	Losses	Ratio.
Alabama	$450,159	$360,244	80.0
Arkansas	412,698	245,456	59.5
Arizona	55,168	58,456	106.0
California	4,484,768	1,279,480	28.5
Colorado	745,304	314,327	42.0
Connecticut	1,740,060	761,068	43.7
Delaware	194,783	93,309	48.1
District of Columbia	110,718	24,566	22.1
Dakota	672,419	465,537	70.0
Florida	279,466	463,857	165.6
Georgia	1,315,493	993,788	71.2
Iowa	2,960,304	1,247,363	41.5
Idaho	28,665	11,718	40.9
Illinois	8,010,078	3,646,883	45.6
Indiana	2,096,661	1,407,899	70.4
Kansas	1,719,008	575,537	48.2
Kentucky	1,846,945	1,356,335	72.6
Louisiana	842,273	595,372	70.7
Maine	994,231	739,514	74.0
Missouri	4,027,053	2,780,400	69.5
Mississippi	326,981	223,085	66.3
Montana	223,813	46,894	21.0
Massachusetts	5,396,375	3,289,100	60.9
Minnesota	2,539,091	1,835,552	72.5
Michigan	3,174,198	2,338,251	73.7
Maryland	1,440,851	813,510	56.5
New Jersey	2,090,374	1,054,750	52.7
New Hampshire	610,754	312,589	52.1
New York	17,570,639	10,028,111	57.3

New Mexico	$109,754	$127,473	117.0
Nevada	78,161	43,253	55.5
North Carolina	443,939	453,637	102.4
Nebraska	1,296,146	417,813	32.1
Ohio	5,495,791	4,072,539	74.0
Oregon	356,751	268,412	75.4
Pennsylvania	6,605,145	4,937,969	74.8
Rhode Island	2,463,748	910,698	36.4
South Carolina	566,108	367,595	64.9
Tennessee	1,041,901	681,242	65.5
Texas	2,155,947	1,639,426	76.2
Utah	94,088	12,485	13.3
Virginia	973,893	706,253	72.5
Vermont	340,735	197,498	58.1
Wyoming	62,959	25,669	40.7
Washington Ter	117,966	95,658	81.7
West Virginia	198,366	104,635	52.3
Wisconsin	2,683,736	2,010,901	74.0
Total United States	$91,464,464	$54,136,107	59.2
Canada	4,993,457	3,165,762	63.5

The total for the United States for 1883 were: premiums, $90,044,601; losses, $50,349,170; ratio, 55.9.

Who Owns the Business, the Agent or the Company?—Lee's Paper Discussed by a Special.

EDITOR COAST REVIEW—I won't give you any taffy, but I must say that I feel as Lee does—that your paper can't be beat. I've got a sneaking desire to "chip in" and say a few words in regard to matters mentioned in our friend Lee's address on "Local Agents." If his ideas are correct and his plans feasible, they ought to be adopted; anyway it won't do any harm "to talk it over."

Here is one of his propositions: "The business belongs to the agent. * * Not one man in an hundred knows anything of you or your company. * * * Your president, secretary, manager, and board of directors are but figureheads for reference." Well, that sounds all right—*is* all right from a *broker's* standpoint; but, my dear Lee, if the president and all the balance of the big men mentioned above are only figureheads, where does the body come in? The local agent, did you say? All right; then, let the festive local pay the losses awhile. It will do him good, and teach him who is the greater figurehead.

Let me see. Here is the Central Pacific Railroad Company, most of whose agents get a commission on the tickets they sell; now, does the passenger traffic belong to the agent or the railroad company, and who furnishes the transportation? The company. Just so; and who makes good the promises you sell the assured?

The agent who educates his friends to the belief that they are insuring with *him individually*, is building up a private business on the companies' coin. That's just about what it amounts to. Quit trying to act as broker for the assured and as agent for the company at the same time. Be one or the other. As a *broker* your business *may be* yours; as an *agent* it is, and should remain, your principal's.

Now, as to the proposition of having one local agent for a whole county. That idea isn't altogether new. It has been tried lots of times, and do you know the result? No? Well, I'll tell you. The local agent in question got so, he thought all that company's business in his county belonged to him, when along came another piratical insurance craft, offered him better terms, and away he went—the first company losing the business of a whole district, as far as said agent could control it. Had they established *six* agencies in this district, they would have gotten just about as much business, and the pirate would probably not have captured over one-half of them, and as a consequence not over half of the business.

Would the class of business obtained by a district agent be more profitable? Prove it by producing your Tehama County loss ratio, for *you* are acting as a district agent. Profit, old man—profit with a big P is what the companies want. "But," you will say, "the district agent ought not to sell his companies out." If the business *really belongs to him*, as argued by you, and he won't sell it on the best terms, he isn't a good enough business man to make a good agent.

You say that all persons appointed as agents should have the proper "qualifications." That's correct; go to the head. But, right here, let me say that there does not exist such a dearth of "qualification" among the present local agents as one would

infer from your article. Most of them having other means of support, can afford to be more particular in accepting risks, and thus become just as profitable agents as those who depend entirely upon the commission for a living.

Of course, this one hundred and fifty dollar ideal agent will "cause all risks to be made good" ere he writes on them "stovepipes and cloth lining must come down." And what will the consequence be? The assured will want his rate reduced "right away," and the companies are knocked out of part of the premium. Sexton says, "The assured makes the hazard and we make a rate to cover it," or words to that effect, and his head is level. What does the company care for cloth lining and stovepipe if they get a rate that will cover the hazard? They can't afford to pay a salary to improve other people's property.

Then there is your proposition about certain companies taking a certain district and paying all other companies and agents to stay out. I wonder if you have ever tried that scheme yourself. If not, try it. Just start in, by paying Simpson, Hook, Freeman and your other Red Bluff agents to go out of the business at Red Bluff, and you will find that almost every man in the county will prove an avenue through which competition will enter—ready and willing to be bought off.

You might as well try to keep a different depth of water in fifty different wire crates sunk in the ocean as to divide up the business of this State into fifty different districts under the system suggested by you. Legitimate competition will find its way into every nook, just as surely as water will find its level. If the water didn't flow from one crate to the other it would flow in from the outside, and if companies doing business in one district wouldn't poach upon their neighbors' preserves, there are lots of companies waiting at our outer gates who would.

But you are going to keep the other companies from competing by giving them a "like amount of business" in another district. From this I would infer that all companies are to be given an "equal share." Well, I guess you would have a fine time making Col. Kinne see that the L. & L. & G. isn't entitled to *more* than the Oakland Home, and just as interesting a séance in getting Edwards (L. B.) to admit that the Oakland Home shouldn't have just as much, and more than, Kinne's company, or that "home" companies in general are not entitled to more than outsiders. It won't work, old man. It's against human nature to submit to it, and only the people can decide who shall have the most. If you think the scheme will work, just try it at Red Bluff; find some equitable way of dividing Tehama County business (of which you probably have half) equally and fairly among the twenty-one agents in the county. If you make it work, let me know, and we will elect you high cockulorum of all the companies in this city.

But, I've had my say. Next time I happen into your burg I'll let you treat, and we will go around in the alley and talk it over. Yours truly,

SPECIAL AND EX-LOCAL.

Co-operative Life Insurance.

Commissioner Williams, in the Twentieth Annual Report of the Insurance Department of Connecticut, in noticing the transactions of co-operative companies, presents the following analysis of the assessment system:

In lieu of a uniform annual premium, this class of companies charge an entrance fee and annual, quarterly, or monthly dues to cover expenses, and make assessments from time to time to provide for the death claims of the current year. In so far as they undertake to accumulate a reserve fund to meet future losses, they violate the fundamental principles of the scheme, which is that such fund is an unnecessary tax upon, and over-payment by the assured. This provision for the future by the uniform-premium offices is the very *raison d'etre* of the co-operative offices. Their distinctive plan consists in the office demanding no more than will supply the wants of the present, leaving that considerable portion of the ordinary premium

which, in the early years of the policy, makes up a reserve in the pockets of the assured, to be drawn upon from year to year by annually increasing assessments.

All properly conducted assessment companies fix their yearly assessments strictly according to the respective ages of the members and the year's risk at those ages. All grouping of different ages for a like assessment is inequitable, and therefore objectionable. For the younger ages in the group pay not only for themselves, but also in part for the older ages. It matters not whether the assessment be large enough to cover the risk of the eldest age in the group or only sufficient to cover the average age; in either case the younger are overcharged.

For the purpose of illustrating the payments that a whole-life policyholder would make on the two diverse systems above described, a table follows (based upon the Actuaries' rate of mortality and interest at four per cent.), showing the uniform annual net premium on $1,000 that is charged by the one kind on a person aged twenty-five, and the varying assessments that must be made by the other kind to meet the losses, as the age of the person increases as indicated in the first column. To the net premium here given, a margin of twenty or thirty per cent. is added to cover expenses. The assessment offices have the same expenses, which are paid by the entrance fees, dues, etc. Hence the premium or assessments here given represent the sums needful to meet the death claims:

Age when Assured=25.

Age	Uniform Annual Premium.	Varying Annual Assm'ts for a Year's Risk.		Difference.
25	$14 72	$7 77	—	$6 95
30	14 72	8 42	—	6 30
35	14 72	9 29	—	5 43
40	14 72	10 36	—	4 36
45	14 72	12 21	—	2 51
50	14 72	15 94	+	1 22
55	14 72	21 66	+	6 94
60	14 72	30 34	+	15 62
65	14 72	44 08	+	29 36
70	14 72	64 93	+	50 21
75	14 72	95 56	+	80 84
80	14 72	140 41	+	125 69
85	14 72	205 10	+	190 38
90	14 72	323 73	+	309 01
95	14 72	584 27	+	569 55
99	14 72	1,000 00	+	985 28

The above tabular scale signifies that the portion of the annual office premium (for assurance on a person aged twenty-five) which is required in order to provide for the payment of $1,000, when it shall fall due, is $14.72, and this payment is uniform through life. And that the assessment which would make good the average amount of a year's losses on persons aged twenty-five must begin at $7.77 on each $1,000 certificate and go on increasing yearly to the end. The excess of the former over the latter constitutes the foundation of the reserve, being the amount overpaid beyond the cost of the year's assurance. The first year the premium is nearly double the cost of carrying the risk. At the age of thirty the annual assessment has increased to $8.42, and at age fifty it exceeds the level premium. Thereafter it grows rapidly, almost doubling in the next ten years, and becoming at eighty nearly ten times the premium. When it is considered that in both cases the payments must be such as to amount to $1,000 at maturity, the claim that insurance for life can be furnished at a smaller cost under one system than under the other is disposed of as a fallacy. This claim is persistently put forth as an inducement to insure on the new plan, and has become to some extent a popular delusion.

There is another point, however, wherein the modern system gives a seeming advantage to the holder of a life policy. By referring to the example it will be seen that on the old plan, in the case presented, the assured overpays the risk for twenty-five years. Afterwards he underpays sufficiently to counterbalance. Now, if at the end of the twenty-fifth year he desires to terminate his insurance, he does so in the assessment office by ceasing to pay the assessments. He has had protection for twenty-five years at the cost of the risk for that term. In the other case, the assured has paid $284 beyond the cost of the risk for the term, and the office will return but a portion of this on surrender of the policy. Whether the facility with which policies may be terminated without loss, in the assessment offices will not induce the surren-

der of a disproportionate number of policies on healthy lives, after the assessments become uncomfortably large, leaving an undue proportion of impaired members, thus raising the death and assessment rate, is a question to be settled by experience.

It should have been added, as to the example given, that the uniform annual net premium for assuring $1,000 on a life aged twenty-five, for the term of twenty-five years, is $9.19, which sum can be readily compared with the varying assessment cost, as stated in the foregoing table for the quinquennial periods of that term.

It is not intended that these remarks should be construed as an argument for or against either system. But it seems proper to show that the cost of insuring lives is regulated by the inexorable law of mortality, instead of by the plans and devices of an insurance office.

Portland Correspondence.

PORTLAND, Or., May 25, 1885.

EDITOR COAST REVIEW—Ere your June issue reaches us we shall celebrate the second anniversary of the Compact. It is just two years on June 11th, since Mr. Stillman issued his first memorable circular. We feel just a little proud that we have the honor of being the pioneer Compact State of the Pacific Coast.

There was a move made here recently at a meeting of agents, to abolish brokers, and only to hire men on salary. This, I think, was highly unjust. There are only two or three brokers here worthy of that name, as far as the business they control goes. One of them has been twelve years buffeting for risks, another, some five or six years, and another, perhaps a little less. And I think that these men are most certainly entitled to every dollar of commission they earn. The business of soliciting, at the very best, is a precarious affair, and with its vicissitudes and annoyances surely ought to be properly rewarded. Some agents claim the brokers were getting too numerous. Then cut the number down. Allow one at the most to every office, but to salary them is not only unjust, but I think is ridiculous. You cannot arrive at a proper salary compensation. I have known brokers to make $300 one month, and perhaps the corresponding month of the next year either run it up to $400 or perhaps fall down to $150. In our little town, influence frequently knocks perseverance endwise. At first the salary fellows were in majority, but later on, as the thing could not be made unanimous, the matter was compromised, and only one broker allowed each office.

And now for a joke, but hardly the kind of one that we agents and brokers like to laugh at. For a long time past, we were all very anxious to get the Oregon into the Compact, for they were gobbling up risks right and left by very slight cutting. Well, as you know, they finally did join, and now it reported to have formed what might be justly termed a compact within a compact; that is to say, all their directors, who include the richest and most influential men of this State, naturally owning the very finest property (and from an insurance standpoint, risks that absolutely make our mouths water), have agreed to *place* all their extra business (of which a good deal, owing to non-intercourse with the Oregon, frequently went direct) through their own office, thereby making 15 per cent. Though hardly relishing the action of these rich men, at the same time we have no right to chide them, but it is going to be pretty tough on us. Self-preservation is the first law of nature, and it might not be out of order, if this report is correct, for the agents to form another "compact inside a compact of a compact," and refuse to take their business, except *direct*. Oh, there is lots of fun ahead. Can't Brother Lee, the inveterate, help us out of this, and teach us not to surrender?

Portland losses for this month are extremely light, and we continue on our good behavior; but Walla Walla, Whatcom, Salem and Seattle have all drawn somewhat on the companies. Seattle, though losing some $35,000, has not over $5,000 insurance. This shows that we are getting to be regular insurance experts, and hereafter we propose to let these country towns understand that if they want occasional good-

sized bonfires they will have to pay the fiddler themselves. These country fires are getting very monotonous, hence the agents are waking up to the occasion. I know of one excellent example; for instance the New Zealand, which used to expend considerable in rebuilding these towns, has now very rarely a fire. Why? Because Manager Brown has concluded to become very conservative and frequently rejects some tempting baits; others are doing likewise. So, in time, we hope to get the thing down to a nicety.

The salmon business this year will run rather light; what with strikes and several canneries not operating, not much will be put up. This will of course curtail our insurance premiums.

Times are evidently not so hard after all. Two nights' theatrical performance for the Firemen's Relief Society netted them $700.

Gurrie, of the Imperial combination, is making a long stay with us. I understand he is going to divide his companies, and as they are sterling ones, there are plenty of Richmonds in the field.

Brown of the New Zealand, has been doing some special work in the country, and carefully going over his line of risks.

NAOLS.

The Insurance of Boilers.

We find it stated that ninety-five per cent. of the boilers insured had been thoroughly examined and reported upon, and each boiler had been carefully inspected whilst working, three times in the course of the year. This gave a total of more than 2,200 thorough examinations, and 7,300 working inspections. The satisfactory result is summed up in these few, but significant words: "No explosion occurred to any insured boiler during the year." The reports of other boiler insurance companies having a large number of boilers under their supervision are to the same effect, and go to prove so far as human skill can accomplish it, practical immunity from boiler explosion has been secured. The result has been attained by the employment of an efficient engineering and inspecting staff, whose professional knowledge and advice have been of great service to insurers. Any defects in the construction, setting, or working of boilers are discovered, and the safety of life and property insured. The danger arising from the employment of inefficient engine-men is avoided, and the improved methods suggested, enable owners to economize their consumption of fuel and effect a considerable reduction in their coal bills. Several other collateral advantages might be pointed out. It is obvious that the system of periodical thorough inspection of boilers by the insurance companies must add very materially to the average "life" of boilers.—*London Insurance World.*

A Special Champion of the Local Agent.

EDITOR COAST REVIEW—Compact champions seem to have had things all their own way. Will you permit a special who has a good many friends among the locals to offer them, through your valuable columns, a few words of friendly advice? The boys who "rustle" so hard in the country should have more consideration; but in my opinion they won't get it until they take matters in their own hands. The Compact has made rates and rules which the local must obey. Why should the local not make some request that their interests should be protected and respected.

There are several companies here who send their specials into the field of their local and gobble up the cream of the business, saying nothing to him about getting the risks, and allowing him no remuneration. Is this right? Again, companies accept risks over their counters from parties whenever offered, no matter whether they have a local agent in the vicinity or not. Were I a local I should decline to accept or hold the commission of a company indulging in such practices. In most cases, risks so offered and accepted are such as an honest and conscientious local would not offer his company, and they are therefore sent to the city to be placed by some friend or relative. The result is, the company generally has a loss to pay.

I am deviating a little, and will therefore

go back to my subject. I would advise the the local agents to call a convention, to meet in some central and convenient part of the State—and by local agents I don't mean "snide lawyers, broken-down doctors, politicians or merchants" who happen to hold commissions, but locals who make insurance their business, and who are proud of their calling—pass resolutions covering the evils I have named, and many others which the business is heir to, and demand a proper recognition of their rights and a guarantee that they will be protected. The Compact nails you down on all sides. You must obey its order, and to protect yourselves you must be united and in harmony. I throw this out as a feeler, and if the boys "catch on," there are many of us who will stand by them in the good work.

I may ask you, in conclusion, why does not the Compact, as a union, correct these evils? SPECIAL.

Assessment Insurance — English Friendly Societies.

We find the following in a recent issue of the Portland *Oregonian:* The inborn weaknesses of the assessment scheme have been so thoroughly exposed, both theoretically and practically, that resort has been had to numerous devices to improve the system by changes in the "plan," or by adopting some of the terms and phrases, and pretending to adopt some of the principles of genuine life insurance; such as grading the assessments, putting into a so-called "reserve fund" a slice of each assessment, placing a trifling amount of money at interest, etc., etc., yet leaving untouched its original fatal defects. To further bolster up the confidence of the public in the *possibility* of success for the scheme, the untruthful statement has been made and often repeated that "in England a similar system has been in successful operation from 100 to 200 years." The inexcusable falsity of the statement has been proven by not only the testimony of the highest English authorities, but also by an examination of the mode of conducting the "Friendly Societies" of that country, some of which have existed over 100 years, their system being substantially that of regular life insurance. Designed, as they are, to meet the wants and means of the laboring classes, the amount of insurance is very small—a few pounds—and the premiums—not assessments—are divided into small payments, a few pence weekly.

Decision by a Local Justice—Contract of the Home Benefit Association Unlawful.

In the action brought by Charles Albee against the Home Benefit Association of this city, recently, Justice of the Peace Pennie rendered a peculiar decision nominally in favor of the defendant association, but really one which the latter may well deplore, for the Justice branded the association as illegal, and declined to enforce the contract of insurance because it was unlawful. If this decision is sustained by the Superior Court, it leaves the members of the Home Benefit without any power of recovery in a court of law.

It will be remembered that one Charles Albee sued the association to recover the money he had paid in fees, dues, etc., claiming that the same had been obtained by misrepresentation on the part of defendant's agent. He became a member in the belief that the association had complied with the laws, and that he was secure in paying its demands. Discovering that the association was a stock corporation, and had not complied with the laws regulating stock insurance companies, he perceived that he had not received the insurance nor the security he had paid for, and that any further response to the demands of the association was a foolish confidence which no court of law would sustain him in. Hence the present suit, which is virtually an action to recover money obtained on false pretenses.

Justice Pennie held that although the business as conducted was unlawful, the plaintiff and the defendant were equally at fault, both having been parties to an unlawful contract, and that the law will not assist either party in altering his position. In other words, the unlawful transaction is like

a gambling contract, which the law must decline to enforce. The plaintiff is *particeps criminis*, and therefore undeserving of sympathy and without any claim in court of justice. This singular decision, the reader will observe, positively leaves the members without any recourse in law, and permits and encourages the association to repudiate its debts. This fact will soon become generally known, to the serious detriment of the association. For this reason, as stated at the outset of this article, the association may well regret the issue of the suit in the Justice's Court.

In the Superior Court, to which an appeal will be taken, it is scarcely to be doubted that the Justice's rulings will be reversed, and the plaintiff permitted to recover money paid in good faith to an illegal corporation. It is not reasonable to suppose that the law will not protect an innocent party to an unlawful transaction. If the Justice's views of the law are correct, policyholders must place no confidence in the printed or verbal statements of a company or its agents, but must learn from the Insurance Commissioner the legal status of their company. Otherwise, if the company is doing an illegal business, they can obtain no redress at law.

The A. O. U. W. not a Fraternal Society — Decision of the Iowa Supreme Court.

When the supreme lodge of the Ancient Order of United Workmen passed a relief law involving the right to assess separate State jurisdictions, the grand lodge of Iowa claimed that the supreme lodge had transcended its authority, and refused to pay the assessment levied under the new law. It was promptly suspended, but at once set up a separate organization. The courts were appealed to, and the adherents of the supreme lodge won "first blood." The action was then carried to the Supreme Court, which has just rendered a decision for the seceding lodge. This decision is of the utmost importance, for the society is declared to be a life insurance company, and its fraternal character is expressly denied. This was the argument of the Past Grand Master, who presented the case of the State lodge to the Court. The opinion is by Judge Severs, and is as follows:

"We are satisfied from an examination of the record that the primary object and purpose of the association of the Ancient Order of United Workmen is to provide a beneficiary fund to be paid upon the death of each member, and that the avowed fraternal character of the association is merely incidental thereto. In fact, we go further than this, and from the record find that one of the two things is true, that is to say, the fraternal objects of the association, as avowed, have been abandoned or never were intended to be enforced. We find no evidence of their enforcement, or that they were ever regarded as material by the members of the association. While, on the other hand, the provisions in relation to the beneficiary fund have been enforced, and the accumulation and payment of such fund has been regarded as the object and purpose of this association. Thereupon it must be regarded as a life insurance organization, and upon the provisions of the statutes, which provide that no foreign insurance company, aid society or association for the insurance of the lives of its members and doing business on the assessment plan shall be allowed to do business in this State unless it has a guaranteed capital of not less than $100,000 in the State in which it is organized. The supreme lodge is a Kentucky organization, and its business and primary purpose is life insurance, and under the foregoing statute it is immaterial whether it is incorporated or not, for in either case it cannot do business in this State, for the reason that it has not the requisite guaranteed capital. If it is incorporated, as we think it is, in Kentucky, and it has been so held, then for other reasons it cannot enforce the so-called relief law in this State for the purpose of relieving overburdened jurisdictions. Instead of stating the reason at length, we refer to the following adjudicated cases: Lamphere *v.* The Grand Lodge of the Ancient Order of United Workmen, 47 Mich., 429. The Grand Lodge of the Ancient Order of United Workmen *v.* Stepp, *et al*, Pillsbury's Legal Journal, 14 vol., 164."

Foreign Notes.

It is proposed to make hail insurance a government institution in Germany.

Out of 130,688 persons who made application for life insurance to the life companies in the German Empire in 1884, 25 per cent. were refused on account of physical disabilities.

A woman aged 46 has been convicted in Holland of wholesale poisoning. Since 1869 she has attempted to poison 102 persons, and has killed twenty-seven of her victims. The object is supposed to have been insurance money, as she made her intended victims members of various insurance societies.

There is quite a colony of fraudulent fire offices in England at the present time. They are what might be fitly described as legalized plunderers of the public. The assets of the entire lot would not pay a single decent fire loss; in fact, £1,000 in cash could not be raised by their united efforts.—*Insurance Gazette of Ireland.*

On January 1, the Ancient Order of Foresters of England had assets to the amount of $17,920,800. That is the only kind of "co-operative" that is worthy of confidence. Our American hat-passers have the brass to compare themselves with this wealthy society, which is not an assessment scheme, and does not resemble the American co-operative in any important particular.

The curse of the guarantee business of to-day is the strenuous effort made by some offices so to trade with their surplus lines as to get a profit out of the commission paid and received. For instance, if an office gets an insurance for £50,000 and pays 15 per cent. commission for it, and can give off £40,000 at 20 per cent. commission, it needs no calculation to prove that the first office receives an enormous premium in proportion to the risk carried. There have been many cases where offices have secured a large line at a very low rate indeed, but by reinsuring nine-tenths thereof at an increased commission, they have simultaneously augmented the premium received by themselves on the lines retained, by some 300 or 400 per cent.—*London Review.*

Life insurance premiums and new policies for 1884 in Canada were as follows:

	Net premiums.	New policies.
9 Canadian companies.....	1,869,200	7,670
18 British companies.....	743,011	1,760
11 American companies.....	1,518,991	3,459
Grand totals for 1884.....	4,131,202	12,889
Grand totals for 1883.....	3,774,749	12,172

The policies on the life of the late Earl of Aylesford, who died in Texas, recently, were only a little over $1,000,000, instead of $4,000,000, as reported. These policies, all of which are in British offices, were dated from 1872 to 1881, and most of them were incontestible on the ground of a change of residence. Written notice was given to all the offices at the time when Lord Aylesford took up his residence in Texas, and they continued to receive the premiums, without protest. Two offices absolutely refuse to pay.

Incendiary Fires.

On the night of May 30, six incendiary fires were started in San Jose. They were in different parts of the city, and followed one another in quick succession, the design of the fire-bugs being to render the fire department practically useless. Coal oil and shavings were used at each place. On the following night there was a destructive fire in the neighboring town of Milpitas, which was also the work of an incendiary. On the 2d inst. two unsuccessful attempts were made to fire buildings in Los Gatos, and at midnight of the same day a building on a hop-ranch, near San Jose, was set on fire. One hundred tons of hay, belonging to Chinamen, was stored in the latter building. On the night of June 1st there were incendiary fires at Santa Clara.

Fortunately, all the fires, with one exception, were discovered in time to prevent any serious damage. It is believed that these incendiary attempts were the work of men who were wrought up to a lawless pitch by the inflammatory harangues of the notorious O'Donnell. This opinion has been confirmed by the arrest of one James Bee for the incendiary fires at Santa Clara. Bee admits that he attended O'Donnell's meeting on May 30, and that he indorses

his peculiar anti-Chinese doctrines. In Bee's room were found woolen waste saturated with oil, pieces of tallow, several candles, and some giant powder. As there is no doubt of his guilt, a hanging Bee at Santa Clara would be an exhibition of rude justice that would deter other cranks from imitating his villainy in that section at least.

On the evening of June 2, an unsuccessful attempt was made to burn the Chinese portion of Redding, Cal.

The Travelers Insurance Company.

It is repeating a familiar fact of household knowledge to say that this popular Hartford corporation is the largest accident insurance company in the world. Everybody has heard of the Travelers, and everybody knows that the indemnity it offers is a gilt-edged article. Its promises are backed up by $7,826,456.83 assets. Its army of policyholders are happy in the knowledge that should an accident befall them the cash is ready for their instantaneous relief. There are no troublesome misgivings as to the returns when the hat goes round, nor as to the permanency of the company, for it is not a co-operative enterprise.

The Travelers Insurance Company also transacts a large life insurance business. Marked gains were made in this department last year, showing that the company's fair dealings with the claimants in the accident department extend its reputation in the life field.

The number of accidents happening in this active world of ours is not generally realized, although the daily papers chronicle many of them. The reader will doubtless be astonished to learn that one in nine of the accident policies of the Travelers becomes a claim. In other words, every ninth man sustains a disabling accident. This is a strong argument for universal accident insurance.

The progress of the Travelers has been wonderful. On July 1, 1865, the assets were only about half a million dollars. In less than twenty years they have advanced to nearly eight millions. In that period the company has written over 42,000 life and 1,100,000 accident policies, and paid $10,000,000 to policyholders. It disburses $4,000 daily to death and accident claimants.

In this field the company does a large business. Walter W. Haskell, who was long the city agent, is the general agent for the Pacific Coast.

How Life Insurance Pays.

A local example of the profitable nature of life insurance, considered merely as an investment, is to be found in the case of the late Rev. Wm. A. Scott, D. D., who was pastor of a Presbyterian church in San Francisco. A $5,000 policy was issued on the life of Mr. Scott in 1844, in the Mutual Life Insurance Company of New York, for an annual premium of $121.50. Eight years later another $5,000 policy was taken out for an annual premium of $155.50. Forty-one and thirty-three premiums respectively were paid. Less $554 dividends used, the net cost of the two policies was $9,559. The remaining dividends on the two policies aggregated $16,006. Adding the $10,000 of insurance, we have a total claim of $26,005 against the company, which was paid to the reverend gentleman's beneficiaries on March 3. This was a profit of $16,447 over the premiums paid. The excess of dividends over preminms was $6,447. Mr. Scott could not well have invested a portion of his savings to any better advantage, and certainly with no such security as was afforded by the Mutual Life.

Another case pointing the same moral is recited by the New York *Review*, as follows: "When the late Charles W. M'Cune was quite a young man, he took a policy for a moderate sum in the Washington Life Insurance Company of New York. Through the succeeding years the premiums were paid in full, aggregating $1,515.84, the dividends remaining with the company. Soon after Mr. M'Cune's death, the company's general agent for this State came to Buffalo and courteously aided the executors in procuring the proper certificate, which upon being forwarded to the company brought a prompt return of their check for the face of the policy, $2,500, with additions from

dividends of $903, the amount of the last semi-annual payment being deducted. The policy thus paid six per cent. compound interest on the premium paid in twenty-four years. The additions show an average dividend of 59 per cent. of the premiums paid, and a profit to the estate of $1,887.16."

These are simply sample cases which every regular life insurance company can parallel. They prove the superior value of legitimate life insurance as a mere investment of one's savings, laying aside all considerations as to the insurance of a specified sum in the event of death in the meantime.

Contemporary Views.

TO PROPERTY OWNERS.

The fire waste of the United States is now actually going on at the rate of one hundred and twenty million dollars per year, every dollar of which you assured people must pay. It is a mistake to believe that the insurance companies pay this money from their capital; they merely handle your money and others, and distribute it to those who burn; and you may note that the larger the per cent. of burning going on, the larger will be the rate of insurance required of you to supply this increased drain. Hence, it it is plain that the less the number of fires, the less will you be called upon to pay; and it is equally plain that you, and every other insurance tax payer, should use all reasonable precautions and means to reduce the unprecedented and unnecessary fire waste now going on in this country.—*W. H. Frazier.*

CO-INSURANCE.

The owner of property should have a pecuniary interest in its preservation. If in position to profit by its destruction he is tempted, if wicked, to destroy it, and though honest, he is likely to be less vigilant in care of it than though admonished to watchfulness by a knowledge that he would suffer by its loss. It is from these considerations that a statute, not now in force, limited the insurance to three-fourths the property value at date of issuance of the policy. Were such legislation deemed expedient now, a better form would seem to be to limit the amount of indemnity to a proportionate part of the actual loss. Whether the public would be content with such partial insurance, or whether the Legislature should inhibit the recovery of full indemnity where the insured is not at fault, are matters to consider. I am confirmed in the opinion advanced in my last annual report, that "insurance should mean indemnity for loss from misfortune, not immunity from the consequence of crime or reckless fault; and the contract to indemnify creates, on the part of the insured, a moral obligation, which should be a legal one" to reasonably provide for the safety of the insured property. Where the property burns through the owner's neglect to fulfill that just obligation, he should not recover.—*Massachusetts Insurance Report.*

DISGRACEFUL RATE-CUTTING.

To cut rates more or less, but down to any point that a policy can be sold, is to disgrace the business; it denies that there are any fundamental conditions that must be faithfully observed, and that the premiums charged are only adequate to meet those conditions, and are therefore proper and necessary; it contradicts the whole series of arguments by which the companies have for years labored to build up a sentiment of respect and a habit of serious regard for the business in the public mind; it stamps the business as a speculation on the part of the companies for which they are willing to scramble upon any terms, rather than as a most delicate and serious trust, resting upon inviolable conditions for its successful issue, and undertaken solely for and justified only by the benefit to policy-holders.—*Jacob Greene.*

EVILS OF NON-BOARDISM.

So far from legislating against boards of fire underwriters the State is bound by every consideration of expediency to promote them. First, non-boardism impairs the insurance security upon which private credit rest. Of the one hundred and fifty fire in-

surance companies that have been swept out of existence during the past six years, all but a bare half dozen were what was known as "non-board" companies. Good insurance rather than "cheap" insurance is what commerce requires, and good insurance is only possible upon the basis of rates into which the combined experience of all companies enters. There is a second and very important reason why the State should foster rather than discourage local boards. It is eminently desirable to adopt such measures as will tend to decrease the awful fire waste under which the country now suffers, and we know of nothing so salutary in that direction as the application of schedule rating to property. Such rating can only be applied through the medium of local boards. Where defects in fire hazard are made the subject of a special charge, and a corresponding credit given when these defects are remedied, self-interest leads to an improvement of hazard so that the lower rate may be obtained. This influence has vastly improved the fire hazard of every city and town to which it has been applied, and has thereby undoubtedly saved millions of dollars of taxable property to the State. Where a helter-skelter race for business at any rate sets in, these gradations are wholly lost sight of, and the influence which was bringing about greater safety to property is entirely neutralized.—*Thomas S. Chard.*

SPREADING IT ON THICK.

In elevating our business to the dignity of a profession, we are indebted to the insurance journalists as most powerful allies. The insurance press, as a whole, has written in a lofty spirit. Its criticisms have been frank and worthy. It has spoken in a sentiment which has touched the nobler instincts, and it has demanded that equity and justice should characterize all the legislation of States. It has commended just plans and condemned what was wrong. Its warnings have thundered in the ears of dishonest managers, and it has been a bulwark in defense of legitimate underwriting. Its words of wisdom have educated the people at large, as well as the active laborers in the field, and the solicitor goes forth with an understanding of his business to reinforce that natural ability with which Providence has endowed him. The solicitor must obtain insurance knowledge if he would hold fast his influence and the people must feel confidence in his judgment, as the army rests in the ability and skill of its General.—*Geo. N. Carpenter, Secretary Boston Life Underwriters.*

ART THOU THE MAN?

The *Vindicator* of Atlanta, Ga., thinks that the insurance man who does not subscribe for an insurance journal "is generally very peculiar and eccentric. Our observation proves that he is either a large man with a small head, narrow views and dull eyes—presenting the appearance of an opium eater—or a thin visaged fellow, with skin clinging tight to his bones, and long, bony fingers, with grasping propensities—reminding you that he would never forget his postage account."

A GOOD THING.

Life insurance is a good thing. I would not be without it. My health is greatly improved since I got my new policy. Formerly I used to have a seal-brown taste in my mouth when I arose in the morning, but that has disappeared entirely. I am more hopeful and happy, and my hair is getting thicker on top. I would not try to keep house without life insurance. Last September I was caught in one of the most destructive cyclones that ever visited a republican form of government. A great deal of property was destroyed and many lives lost, but I was spared. People who had no insurance were mowed down on every hand, but aside from a broken leg I was entirely unharmed.—*Bill Nye.*

MUTUAL FIRE INSURANCE.

Mutual companies in marine and life insurance have been unquestioned successes. Mutuals have been problematically successful in covering certain classes of farm property, which from its peculiar location rarely meets with a loss. But mutuals applied to general fire business have proved the most gigantic frauds ever foisted on the

community. Yet there are many men who profess to believe that because they have been made to work in large detached factories—in their nature more like a marine risk—where the owner's note can be safely treated as an asset, they will also answer the general purpose of stock insurance, notwithstanding the teachings of experience to the contrary.—*Insurance Monitor.*

TOO MUCH IMPROVEMENT.

The story is told of a man who had recently lost his wife, that on being asked the cause of her death, said: "She died of improvement." Being requested to explain his remark he replied that a few days previous she had been suddenly taken very ill. The doctor came and said she was improving. He paid successive visits and each time said she was improving. One morning he came and said that she was improving very rapidly. Half an hour afterward she died. Consequently the bereaved husband concluded that she died of too much improvement.

Perhaps the time may come—if it has not already—when life insurance will suffer from too many improvements. The craze to allure by novelties cannot be healthy in its tendency, when the object is not to strengthen the policy but to render it attractive. Devices to cheapen insurance to a portion of the policyholders simply reduce to this—that cheapness to one signifies costliness to another.—*Chronicle, N. Y.*

OLD LINE LIFE INSURANCE.

The results of the business of 1884 are extremely gratifying in view of the great financial losses of the year. The truth is, that the companies are now established on such a firm foundation that they command and receive the confidence of every thoughtful person. It is a matter of congratulation that the organizations reporting to the Department have succeeded so well during the period of depression through which the country has been passing. The stability and sound practices of the various companies have attracted to them a constituency that grows loyal with the years. The bickerings and disputes between rival institutions and officials have become ancient history, except in an instance or two of quite late occurrence, and here noted with regret. —*New York Life Insurance Report.*

NOT AFFECTED BY THE CO-OPERATIVES.

The general business of all the companies continues to increase in a satisfactory way, notwithstanding that the year has been one of numerous business failures, accompanied by the excitement and distraction caused by the long canvass of a Presidential campaign. The operations of the assessment organizations have not in any way interfered, apparently, with the transactions of the regular companies; in fact, the co-operative societies have created an interest in life insurance protection that, but for their efforts, would otherwise have remained uncultivated. The clientelage of the regular companies and that of the co-operative organizations differ essentially in financial standing, while the rates which the former are compelled to exact to provide for the amounts they pledge and promise positively to pay, force the less prosperous of our population to seek protection for their families in the fraternal societies and co-operative institutions, knowing, however, that the contributions of their fellow members will be the maximum amount of the benefit to which their dependants will be entitled by the terms of their certificates at the maturity of their claims.—*Insurance Superintenent McCall.*

A Flour Mill Explosion.

It is a curious fact that under certain conditions flour in a mill will burn and explode like gunpowder. The reader will remember the remarkable explosion in Minneapolis in 1878, by which five large mills were destroyed. There have been other explosions more or less memorable, and doubtless many that have never been heard of beyond a limited circle, for it is to the interest of millers to conceal these instances from the insurance companies.

On March 1, an explosion of flour occurred in a large steam rye-flour mill at Wurzen,

Germany. The destruction was complete. The upper floor was blown out of existence and three lower floors were instantly converted into unsightly ruins. Iron girdles and iron columns were twisted into various shapes, and the blackened walls still standing bore many traces of the tremendous force that had been developed out of flour dust. The explosion occurred in the mixing chambers, the trap-door of which had been carelessly left open. As soon as the mixing machine started, the flour dust quickly rose and spread until ignited by a gas-jet in the vicinity.

A Life Underwriters' Association Needed.

In forming an association the life underwriters of Boston have set an example that will doubtless be followed in several of the principal cities, for the experiment at the Hub has proved to be a brilliant success. During the three years' "probation" of the association much desirable work of a practical nature has been accomplished, but perhaps the special value of the organization is to be found in its social character. The monthly meetings bring together in pleasant social contact men who were formerly strangers, and who, as strangers and rivals, developed antagonisms that intimate acquaintance quickly dispels. The evils of business are far more easily corrected and good practices better promoted by the life underwriters thus organized.

A similar association is to be earnestly desired in San Francisco, and it seems to us that the time is ripe for its formation. The co-operation of all is frequently important, and such co-operation is best secured and most valuable through the agency of an association. There are problems to discuss, abuses to correct, methods to encourage, and the assessment monstrosity to be dealt with; but we lay most stress on the advantages to be derived from the better social relations of members. Our life underwriters hardly know each other, and this state of things fosters petty jealousies which might wholly disappear under the genial influences of a social and business association.

We suggest that the proposed organization be discussed by our local life underwriters. If the ball is set rolling it will finally turn into a first-class association and do a "power" of good.

Much Ado About Nothing.

The *Sun*, an enterprising weekly newspaper at Colusa in this State, has so good a reputation for ability of a sturdy, conservative character that we read with surprise, in its issue of May 30, a violent tirade against "the fire insurance business in this State, as conducted at present." In other words, the *Sun* is opposed to the compact system. The language of the article indicates that the editor is excited, his arguments and alleged facts prove his ignorance of the subject, and the remedy he proposes leaves no room for doubt that his good sound sense has temporarily forsaken him. The editor of the *Sun* is angry. We are tempted to say that all the fuss he makes has been provoked by a revision of rates on his printing office; but we positively decline to yield to the temptation to say so ungenerous a thing.

It is not true that the premium rates are higher than before the compact was established. That very useful organization was not created for the purpose of raising rates, but to prevent their falling beyond a paying point. These two incontrovertible facts place the *Sun* in a ridiculous light. Its insurance monopoly is a phantasm of its own creation, and it has "declared war" against a figment of the imagination. Disturbed by the picture, this wrathy but reputable weekly descends to the disreputable tactics of the sand-lotter, in this style: "Look around San Francisco. The best and most extravagant offices are occupied by insurance companies. Immense salaries are paid to agents there." This is a specimen of its logic.

It is not true, as the *Sun* says, that rates have gone up one hundred per cent. They have been revised to correspond with the hazard, and raised a little here and lowered a little there. This revision was an act of

simple justice to those who were paying a rate higher than was warranted by the loss experience of the companies with their class of risks.

Again, it is not true, as the *Sun* says, that "the premium grew so exorbitantly high that a local company was formed at Los Angeles for protection." The local company was projected before there was any compact, and long before there was any revision of rates. Moreover, this "local company" is the enterprise of Iowans, to whom no appeal for protection was ever made by the distressed Los Angeles victims of "extortion."

The *Sun* is a Democratic weekly, but it abandons a cardinal principle without hesitation, when it imagines that its editorial pockets are affected by the domination of that principle. It has gone over to the Socialists and "raised the red flag." It seriously proposes that the State become an insurance company. That is its remedy for this alleged insurance monopoly. The editor is going to "have a bill before the next Legislature that will cover the idea." If his gas and water bills are raised in the meantime—assuming that there are gas and water works at Colusa—we may expect bills covering similar ideas, and providing that the State shall become a gas company and a water company, and perhaps a railroad company and a telegraph company.

The compact is a sort of bug-a-boo with many men. They conjure up an iron-clad monopoly bent on systematic and heartless robbery. They really believe that it is possible for a hundred or so of insurance companies to combine and maintain exorbitant premium rates. It does not occur to them that if the rates are so very profitable non-resident and foreign companies will enter the State and "cut" rates. Even if it were not so, jealousies and competition among the compact companies would soon break down all restraints in the face of so great a temptation. The compact can preserve itself only as long as the rates it imposes are fair. It came into existence in response to a general recognition of its necessity as a means for the maintenance of living rates. It was expressly designed to arrest a rapid downward movement that would soon have diminished the value of much of the indemnity offered.

We have repeatedly shown the value of the compact to property-owners, and our presentation of the case has been supplemented by the admissions of prominent business-men. The especial value of the compact, from the standpoint of the insured, is in the improvement of the risks growing out of the suggestions of an experienced compact manager. In the long run there can be no real reduction of rates unless there is a decrease of the hazard. If rates are too low for a time, there must be a corresponding rise subsequently.

The value of the compact to the assured was recently admitted by Mr. Goodman, a wholesale druggist at Omaha. Indignant at an increase in premium rate, he informed the manager that he would use his influence against the compact, and withdraw his business from all compact companies. The manager explained the necessity and justice of the increased rate, going into the details of the company's loss experience and pointing out the utility of the compact as an agent for the preservation of property from fire. Mr. Goodman became a convert, and very cheerfully writes to the *Daily Bee*, of that city, as follows, speaking of his interview with the manager:

> I then more fully learned what my experience corroborated—that the companies were not laboring for higher rates, but for better risks and more uniform and consistent rating—urging improvements, facilities for extinguishing and guarding against fires, aiding us in protecting ourselves against the carelessness of owners and occupants of exposing risks, enforcing correctly-worded and concurrent policies, and applying to the business of insurance the intelligent experience of the companies for a hundred years, instead of leaving it to the ignorance of new and inexperienced agents clamorous for commissions.

If the editor of the *Sun* wishes to be fair, he will correct his misstatements and reprint at least so much of this article as specially defends the compact.

The Connecticut Legislature has passed a bill placing non-resident assessment life insurance companies under the control of the Insurance Department.

C. P. Huntington on Life Insurance.

The most willing as well as the most valuable witnesses to the advantages of life insurance and the reliability of the old line companies are the wealthy men of business of the country. They are prompt to profit by the opportunities the regular companies afford for the safe and profitable investment of money, and for the sure protection against the ill fortune always possible to the most sagacious.

The well known railroad magnate, C. P. Huntington, recently gave his views on life insurance in the following letter in response to a request from the Boston *Globe*. Mr. Huntington presents his argument very succinctly and forcibly, and endorses regular life insurance without reservation. Such men never fool with co-operative or assessment life insurance:

NEW YORK, Feb. 11, 1885.

Replying to your inquiry asking my opinion of life insurance as now practiced in this country, I have to say, without pretending to much personal experience or practical knowledge on the subject, that I am thoroughly convinced that Benjamin Franklin was entirely right in his assertion nearly a century ago, that "a policy of life insurance is the cheapest and safest mode of realizing a certain provision for one's family."

Moreover, I believe it to be the only means whereby a man dependent upon a salary or a professional income can, at the instant of death, secure to his family a capital equal to the support, education and financial security of his widow and children. Since Franklin died, the life insurance system has vastly expanded, and in our country especially, has developed most progressively and prosperously. And this, too, with every advantage or "benefit" (as you suggest) to those who have availed of its contracts. I cannot doubt that the distribution throughout the United States of some $60,000,000 per annum for the help of families, otherwise left destitute, reduces not merely the misery of thousands, or rather hundreds of thousands of individuals, but also largely diminishes the population of our almshouses and penitentiaries, and thereby contributes to reduce the taxation of the country, caused by crime, ignorance and pauperism. On this ground alone I favor the life insurance system as a moral force, and in the direct line of political and social economy.

It seems to me that such great and honestly managed companies as the old and well established corporations, whose administration has stood the stress of the financial storms of the past quarter of a century or longer, have performed a most useful service for the country.

As to the details of their service, I have no further knowledge than the statistics of the several State insurance departments furnish—and these are within everyone's reach—but, as to the general result of usefulness to the community, I cannot doubt that life insurance has done enormously good work for the United States, and as now practiced by the prominent and long-established offices, is full of promise for the future. Very respectfully,

C. P. HUNTINGTON.

Natural Gas in Pittsburgh.

Natural gas *per se* is not more dangerous from a fire underwriter's point of view than artificial gas; it is wholly a question of pressure. When first introduced in the streets of this city the gas was brought in under high pressure—in some instances over 100 pounds—and the result was leakages and explosions; but these dangers have since been averted by appliances for reducing the pressure and guarding against leaks, and it may be safely said that the fire hazard of the manufacturing risks of this city have been reduced by the introduction of this new fuel.

It has largely increased the natural advantages of ths city of Pittsburgh as a manufacturing center. By reason of the cheapness of the fuel here obtainable, manufacturing plants are being transported from all sections east and west to an extent that is but faintly realized by those not posted on the subject. If this new fuel holds out, and there is every indication that it will

for many years to come, the epithet of this being a smoky city will become a misnomer. It is not yet a year since it was generally introduced, and yet the changes in the atmospheric conditions of Pittsburgh are noticeable to the most casual observer.—*Pittsburgh Insurance World.*

Losses by Exposure.

The fact that twenty-eight per cent. of the fire loss in the United States, last year, was due to exposure, is, in its way, both interesting and significant. More than thirty-one millions of dollars of property was destroyed through this secondary fire cause—a loss which chiefly represents the sum of three influences, namely, imperfect building, the density of population, and atmospheric conditions. On an average, by every fire in the United States during 1884, 1.8 risks were either damaged or destroyed. The record by States and territories, as well as by months, shows fluctuations which form a curious study. As far as the months go, the percentages of exposure losses to the number of fires vary with tolerable regularity with the latter, notwithstanding there is about four per cent. difference between the months showing the highest and lowest ratio of exposure respectively.

It is by making comparisons between the different sections that the most singular deviations from the mean for the whole country are to be noticed. Relatively, the greatest number are reported in the territories and extreme Western States, where frame buildings and high winds abound, and where water supplies and fire departments are imperfect. Sweeping conflagrations seem to be the rule and not the exception in these far away localities. In the older and more densely settled regions the exposures occur in a more uniform ratio.

Of course, the more than thirty millions of dollars thus obliterated last year teach nothing so emphatically as the necessity for better buildings. More directly than other portions of the national fire waste is this loss from exposure to be charged to faulty architecture. It is a sad commentary on our builing laws, and our builders, that so vast a loss should spring from so unnecessary a cause. There are in the United States census 332 classes of specified industries, yet scarcely 300 of them turn out annually a product as large as this. For three or four months in a year all the payments of insurance companies, if we may make such a comparison, go to pay the losses incurred through exposure.—*The Chronicle, N. Y.*

The South British and National Insurance Companies of New Zealand.

These enterprising companies of the antipodes have an American "push" in their business methods, which is bearing fruit in large gains in the premium income. According to the detailed report of the combined business of the companies, printed elsewhere in this month's COAST REVIEW, we find that the premium income has advanced $489,608, and that $415,275 has been added to the assets. The combined cash capital is now $1,128,576, some $64,000 having been added during the year.

Both companies have extended their business rapidly, multiplying agencies at home and abroad, during the past few years. This is best illustrated by a comparison of the premium receipts year by year, which have grown from $900,000 in 1881, to three times that sum in 1884; and the capital and assets have nearly doubled in the interval. These figures indicate the progressive character of the management, and will stimulate new zeal and vim. Pardon the pun, reader.

A strong feature in the statement of the of the companies is the net surplus, which is the handsome sum of $598,650, showing a gain over the surplus for the previous year. Another feature is the moderate expense account, the management expenses being only 22 per cent. of the premiums.

In this field the companies write a joint policy, and are represented by Messrs. W. J. Callingham & Co. The large business transacted is a credit both to the agency and the companies.

There are 148 district, county and township mutual fire insurance companies organized under the laws of Illinois.

Popularity of the Compact with Business Men.

It is a pleasing fact that the business men of San Francisco appreciate the equitable and serviceable nature of the compact as enforced by the Pacific Insurance Union. It having been clearly shown that the specia design is to equalize rates and not increase them, no fair-minded man can urge any objections to the compact. Its usefulness in improving risks and otherwise diminishing the danger from fire wins for the Union the esteem and co-operation of every long-headed property-owner, who perceives that the inevitable outcome of a strict adjustment of rates to risks is a considerable improvement in the character of the risks, and ultimately a reduction of rates. When the assured realizes that it is the special hazard of his own property that governs the rate he has to pay, he will reduce that rate by improving the hazard, and the Union manager is ready and desirous to aid with practical suggestions. We might name the most prominent merchants in San Francisco who are outspoken in their approval of the compact, but it is unnecessary to do so. The business men of Los Angeles also regard the compact with favor. The only men who complain, anywhere, are some whose premium rates have been justly raised that their neighbors' rates might be justly lowered.

The Sydney Fire Department.

Our Australian cousins are very progressive, but if the fire department of Sydney be accepted as a standard of progress in the direction of fire protection, all the large cities of Australia should import engines and firemen from America forthwith. Now be it remembered that Sydney is a city of 260,000 souls, and it ought to equal San Francisco in its fire department. But it doesn't. A Californian who visited Sydney not a great while ago was attracted by signs of excitement and confusion in the street. Halting where a crowd of men had gathered, he discovered a diminutive fire engine, which on closer inspection proved to be a steam engine. Two plug horses were attached, and one of the beasts was balky. The driver urged him forward with whip and oaths, and the crowd yelled and pulled at the bridle, and pushed from behind, and finally persuaded the balky brute to "move on." Two blocks further on he again balked, and the whipping and swearing and yelling and urging were again repeated. Possibly our informant might have felt a little uncertain as to the exact nature of the machine, had he not, on approaching the crowd, inquired as to the trouble. An excited bystander cried out in reply, "There's a fire, and that's a fire engine, there!"

Accidents.

In one of his enchanting essays Emerson discusses, in his unequalled way, the great law of compensation, and the reader lays the book aside with an uncomfortable idea, drawn from one or more of the philosopher's illustrations, that after all, absolutely our boasted progress in material things is not much of an advance beyond the old, for the race has forfeited so much that is good and incurred so much that is bad. With every gain there has been a loss, and with every improvement there is something disadvantageous. The world enjoys more, but it suffers more.

An example is to be found in the increasing number of serious and fatal accidents, which form a deplorable feature of the progress of modern civilization. Machinery multiplies on all sides, and new forces are discovered and applied to the service of man; but these labor-saving devices and forces also increase the danger to life and limb. And so the list and variety of accidents grows larger year by year. It is an appalling fact that in the United States alone over one hundred thousand serious casualties are annually recorded by the daily papers. This number does not include that vast number which the dailies never chronicle.

Happily, the ingenuity and enterprise of men are equal to the mitigation of much of the evil of these accidents, through a system of accident insurance, which in a measure indemnifies a man for loss of time, or loss of limb, and cashes the savings of a life-

time, for his family, should the accident prove fatal.

The liability to accidents embraces all classes, all localities, and nearly all vocations. The moral is: take out an accident policy in some good, legitimate accident insurance company.

A Colorado Fraud.

From Colorado comes an inquiring letter as to the standing of the Nebraska & Iowa Ins. Co., of Omaha, and the Iowa & Nebraska Ins. Co., of Council Bluffs, just across the Big Muddy. These companies are apparently twins, and the pair together will scarcely make a baby company. They reinsure Colorado risks of the Farmers & Merchants Ins. Co., of Denver, a microscopic mutual with invisible assets. The combined assets of the trio on December 31, 1884, were $392,028. These figures are official, having been received from the Insurance Departments of Colorado, Nebraska and Iowa. The Farmers & Merchants advertises the combined assets to be $822,416, which is about half a million short of the truth. If the three companies have any surplus over their liabilities, it would be a "weariness of the flesh" to hunt it up. The capital of the Iowa company on December 31, was $25,000, which has since been increased, it is claimed, to $100,000.

But the Colorado people deal only with the mutual company, the Farmers & Merchants Ins. Co. of Denver, and it is to that piece of frailty that they must look for their indemnity in case of fire. It is only a portion of the mutual's risks that are taken by the reinsuring companies. Possibly the contract of insurance was entered into with the Nebraska and Iowa midgets simply to give the Denver mutual a fictitious standing.

All sensible property owners in Colorado will give the Farmers & Merchants Ins. Co. a wide berth, for three excellent reasons, to wit: Its security is practically worthless, for it is without capital, and its assets would not settle one respectable loss. Its reinsuring companies are fifth-rate or no-rate companies, which are responsible for only a small portion or none of the mutual's losses. Last but not least, a company that falsifies in advertising its assets is not to be trusted.

The Local's Grievances.

It is highly to the credit of "our boys" that the papers read at the recent annual meeting of the Fire Underwriters' Association of the Pacific have attracted general attention and approval. Many of these papers have been copied by Eastern and English insurance journals, or extracts freely made.

Mr. Lee's paper has received the most attention, because he left the beaten path in treating the subject of local agents. He also used some very plain language, which everybody relishes in these modern days of super-refinement of speech. We don't say that the remedy or panacea he proposes to apply to the special evils of the business is at all practicable, or even desirable; but his riotous way of dealing with the subject will stimulate thought and spur up somebody to do something toward the alleviation of the more serious ills of which he complains. A special and ex-local discusses Mr. Lee's paper in this month's COAST REVIEW, taking up several of his points and showing some unmistakable errors of judgment.

Another special comes gallantly to the defense of the local agent, and suggests that all reputable locals convene in some central town and discuss their grievances and demand a recognition of their rights. The suggestion is worthy of consideration by the locals, for any possible redress of their actual wrongs must come through their own exertions.

Adjustment Expenses.

At the last monthly meeting of the Fire Underwriters' Association of the Pacific, the subject of adjustment expenses was thoroughly discussed. The following resotions have been framed by President Kinne as embracing the conclusions of those participating in the discussion. These resolutions will come up for final consideration at the regular monthly meeting to be held Monday, June 15, at 2 P. M.

ADJUSTER'S FEES AND EXPENSES.

Unless a special contract be entered into by the company or companies and adjuster in each case, the following shall be the charges for adjusting losses, viz:

$20 per day and expenses, when adjusting for one company.

$25 per day and expenses, when adjusting for two or more companies.

"Expenses" are understood to include traveling, hotel, and all necessary sundry and contingent expenses.

CONTRIBUTION TO ADJUSTING EXPENSES.

Whenever and wherever an adjuster is employed in the settlement of losses for more than one company, he shall charge to each company separately his per diem and expenses while actually engaged in the settlement of each separate loss, including his per diem and expenses while diverted from general point of destination, while the per diem and expenses to and from said point shall be distributed in proportion to the amount of insurance affected by the several losses adjusted by him.

Whenever and wherever a special agent, in a trip for his company, is appointed to adjust a loss for others, he shall charge to such company or companies so appointing him, his per diem and expenses while actually engaged in such loss or losses, including his per diem and expenses while diverted from the nearest point on his trip to the place of loss, and *one-half* of his per diem and expenses to and from his place of residence and said nearest point, computed in direct travel thereto.

ADJUSTER'S CLAUSE.

The so-called adjuster's clause is intended, and shall be construed to mean, to cover the per diem and expenses of one adjuster only, for all companies interested; and that when all the policies upon an individual loss contain the adjuster's clause, the assured shall be chargeable for only the per diem and actual expenses of one adjuster, although two or more may have been employed.

Where one or more policies upon an individual loss contain the adjuster's clause and others do not, the assured shall be chargeable only a *pro rata* amount of the adjuster's per diem and expenses for the policies having the adjuster's clause; the policies not having the same to pay their own *pro rata* of said per diem and expenses.

Where one adjuster is employed to adjust several losses, it is not proper to collect under the adjuster's clause, for each individual loss; but the expenses for all the losses shall be borne proportionately by all the policies interested, apportioned according to the preceding resolutions.

LOCAL AGENTS AS ADJUSTERS.

That when more than one company is interested in a loss, any company not employing an adjuster shall *pro rate* with the company or companies sending an adjuster or adjusters in all expenses, or shall not have the benefit of the work of the adjusters employed.

Liability of Former Members of Assessment Societies.

The New Era Life Association of Philadelphia is in the legal toils as the subject of a bill in equity. The plaintiffs were formerly members of the association, but "withdrew" by failing to pay assessments. Suits have since been brought against them and other former members to recover claims which became due years ago. These deaths were fraudulently suppressed by the managers, for the purpose of sustaining the claim of cheapness of the insurance furnished by the association. Many honest death claims were therefore resisted in the unscrupulous endeavor to keep the death rate attractively low, and the expenses of this litigation were taken from the mortuary assessments. In the case of Daniel Rohrer, it is stated that $1,000 was yielded by the assessment on his death, but the managers are charged with forcing a compromise for less than $20, and dividing the remainder of the thousand among the stockholders and active promoters of the hat-passer. While these men were coining money off the credulity of people, liabilities were accumulating rapidly against the dupes who became members.

The question to be determined is the right of the association or claimants to en-

force against former members assessments laid after their withdrawal, on deaths occurring while they were members. This question has been decided in the affirmative by the Supreme Court of New York, in Angus McDonald, Receiver of Mutual Benefit Association of Rochester *v.* Ross-Lewin and others. A member of an assessment company, after paying two assessments, refused to pay the four which followed, and claimed that his delinquency relieved him from any legal obligation; but the court held him liable for all losses occurring while a member of the co-operative. It was also held that his liability did not cease when he had paid his pro rata, or the assessments levied, but that he and other members were liable to the extent of their pecuniary resources, the court considering the members as partners in a co-operative enterprise.

The reader will observe that the two cases are substantially the same, so far as liability of former members is considered. These suits are pregnant with warning to men of property to keep out of assessment life insurance associations, lest fraud or mismanagement, or an excessive death-rate, involve them in serious legal difficulties.

New Trial of an Old Suit.

An action brought by Helen Hillman against the Mutual Life Insurance Company of New York is now on trial before the United States Circuit Court, at Leavenworth, Kansas. Three years ago the jury disagreed. The case is familiar to most readers. John W. Hillman insured his life for $10,000 in the Mutual Life and $5,000 in the Connecticut Mutual, for the benefit of his wife Helen. A few months thereafter, it is alleged, he was accidentally killed by a friend, one Brown, while in camp in the wilds of southwestern Kansas. This was a thin story upon which to base a claim for $15,000 insurance money, after the payment of only one premium to each company. The body was exhumed by the order of the companies, and shipped to Lawrence, where an inquest was held. The jury declared that it was not the body of Hillman. Brown confessed to an attorney that the corpse was that of an unknown man whom Hillman had picked up on the road and murdered, with the design of swindling the insurance companies. The relatives of one Waters, from Fort Madison, Iowa, who had mysteriously disappeared at the time of the murder, identified the remains as those of the missing man. It was also proved that Waters had written to his betrothed, stating that he was about to leave Wichita, Kansas, in company with a man named Hillman. This testimony made a clear case for the defense. The majority of the jury favored the plaintiff; but the honest minority would not yield, and the case is again up for trial.

Unobjectionable Co-insurance.

The proposition to require the insured to bear a small percentage of the loss, under a co-insurance clause in all policies, or under statutes prohibiting full indemnity in case of loss by fire, is destined to be very generally discussed in the near future, not only by insurance men, but by the press generally, and by the intelligent classes who interest themselves in economic problems. The insurance press is compelling the attention of the public to the fact that the growing annual fire waste is a tax upon every industry, and that the reduction of the burdensome tax is a question that cannot much longer be ignored with safety. Thanks to the instructions from this source, together with the mass of statistics yearly collected, a few representative dailies have been prompted to frequeutly refer to the question, and give it something like the prominence it deserves. Several of the abler and more enterprising Insurance Commissioners have also referred to the great national ash-heap, and intelligently discussed the necessity for a remedy, in their annual reports.

Co-insurance is generally regarded as the most effective and practical method of reducing the fire-loss, for it is evident that incomplete indemnity will secure a great deal more care from the insured, and it may reduce the loss from incendiarism. A rigid system of fire inquests is also recommended, not only for the detection of incendiary at-

tempts, but for valuable information as to the origin of fires. However, co-insurance is objectionable for several weighty reasons. It is desirable that the property-holder should be fully insured, not only from his point of view, but from that of the insurance companies', if, as is believed, any acceptable form of co-insurance would reduce the premium income.

We propose as a substitute the application of a co-insurance clause only in case the fire originates on the premises of the insured. Such a clause would secure all that care, and that possible decrease of incendiarism, which it is believed would follow universal co-insurance, and therefore accomplish as much. It would not work any injustice to adjoining sufferers from fire, who certainly have an undoubted right to complete indemnity ; nor would it tend to any reduction of the premium income, excepting as it permanently reduced the annual fire loss. It seems to us that, relatively, this form of co-insurance is unobjectionable.

Floating Policies.

We observe that as a drastic remedy for the evils and difficulties attending the acceptance of risks on floating policies, it is proposed to refuse them altogether. We can hardly believe that this way of putting matters is intended seriously, but rather are inclined to think that it is a simple and general way of expressing the dissatisfaction which fire managers undoubtedly feel on finding that any attempt to arrive at a solution of the problem set before them involves an immense amount of labor. We may remark, however, that floating policies are very peculiar things, not merely from an insurance, but from a merchant's point of view. It is perfectly certain that a merchant must cover his stock, whether afloat or ashore, by arrangements which must approximate more or less to a general sort of contract. A merchant, in fact, does not always know where his goods are, and he may find them concentrated in a particular dock, or divided amongst half a dozen wharves, without the slightest opportunity having been afforded of indicating where he would like the ship to unload. It is difficult, therefore, to claim that a merchant shall be saddled with the responsibility of dividing his stock, when, as a matter of fact, the shipowner or the various accidents of time and tide may be the sole arbiters on this point. Again, let us take the case of a sale by auction. A merchant who finds himself in possession of £10,000 or £20,000 worth of bags of wool, bales of silk, or quarters of oats, can hardly state off-hand where he is likely to find his property. It is evident, also, that without any design, he may suddenly find that he has quite unintentionally brought together, perhaps, a quarter of a million's worth of goods within the limits of a single wharf. The fire offices are wise in endeavoring to proceed slowly in this matter, and we think the most prudent course to adopt is to give the merchant such substantial advantages by decentralizing his property as will cause him to think seriously, from time to time, as to how he can meet the views of the fire offices on such an undoubtedly grave matter. The merchant may be perfectly innocent of any intention to concentrate his goods, or in fact, he may have no inducement to do so, but the fire offices are quite opposed to concentration of risks. Nevertheless, both, by the merest accident, may find their best efforts defeated by a large fire on a floating policy, involving the office in a loss of four or five times as much as it had contemplated carrying. A discriminating rate of premium will be found the best thing to begin with, and if a few shillings difference of premium can be shown between a divided risk and a concentrated one, the merchant will be more than inclined to meet the insurance companies half-way. The abolition of floating policies bodily, however, is one of those remedies which suggest desperation rather than reflection. The question is undoubtedly a difficult one, and we are glad to think that it is receiving that weighty consideration which the interests at stake demand—*London Review.*

A new law of New York authorizes the organization of real estate title insurance companies.

FIRES.

April 1, Cottage Grove, Or., frame building and contents:

Commercial, S. F.	$2,000

April 28, Ukiah, Cal., dwelling:

Commercial, S. F.	$1,000

April 20, Albany, Or., dwelling and contents:

Commercial, S. F.	$400

May 2, Livingston, M. T., hotel, frame building and merchandise:

National, Hartford	$500
Scottish Union & National	1,100
Union, N. Z.	955
Firemans Fund	600

May 12, Oakland, Cal., dwelling:

Helvetia	$425

May 7, near Sacramento, Cal., barn:

Union, S. F.	$817

May 20, Whatcom, W. T., frame building, hotel, etc.:

Commercial Union	$500
Washington	750
Connecticut	500
Fire Ins. Ass'n, London	1,500
Boatmans	1,000
New Orleans	1,000
Continental	1 000
Providence-Washington	500
Firemans Fund	500
Teutonia	1,000
Total	$7,250

May 18, San Francisco, chemical works:

Guardian	$237
Royal, Norwich Union & Lancashire	570
Imperial, London, Northern & Queen	380
Commercial Union	200

May 22, Seattle, W. T., general fire:

N. Y. Bowery	$200
Howard	200
Svea	1,000
California	1,500
Union, N. Z.	750
Allemannia	500
Boatmans	500
Firemans Fund	750
Fire Ins. Ass'n, London	750
Total	$6,250

May 21, Merced, Cal., dwelling and contents:

Guardian	$250

May 21, San Francisco, frame building:

Guardian	$1,645

May 10, San Bernardino, Cal., frame building:

Commercial, S. F.	$725

May 21, Miles City, Montana, general fire:

Ætna	$350
Hartford	525
California	3,150
Union, N. Z.	2,876
Lion	1,217
Commercial Union	6,000
New Orleans	1,582
Teutonia	1,132
Allemannia	565
Peoples	565
Total	$17,962

May 27, Phœnix, A. T., genaral fire:

Connecticut	$1,900
Ætna	120
Home Mutual	8,000
Hartford	2,000
Security	120
Scottish Union & National	2,675
London & Lancashire	1,500
Home, N. Y.	1,000
Lion	2,600
New Orleans	750
Peoples	750
Fire Ins. Ass'n, London	750
Firemans Fund	2,000
National, N. Y.	1,000
Total	$25,165

May 3, Oakland, Cal. hay barn:

Phenix, Brooklyn	$477
American, Phila.	477
Lion	468
London & Lancashire	656
Helvetia	712

May 2, Billings, M. T., general fire:

Hartford	$785
California	1,344
North British & Mercantile	1,500
Commercial	1,250
Irving	1,500
New Orleans	550
Total	$6,929

May 4, Miles City, Montana, general fire:

Ætna	$1,023
Hartford	2,241
California	1.294
Union, N. Z.	2,034
Lion	480
Washington	480
Commercial Union	2,900
Total	$10,452

May 8, Walla Walla, W. T., brick building and saloon:

North British & Mercantile	$425
Imperial, London, Northern & Queen	290
Shoe & Leather	750
New Orleans	500

May 22, Centerville, Cal., warehouse:
German-American $563

May 26, Sutter Creek, Cal., frame dwelling:
Connecticut $1,300

May 23, Waitsburg, W. T., hotel and livery stable:
Home & Phœnix $2,200

May 26, Jerome, A. T., general merchandise:
Lion $1,500
Orient 1,500
Royal, Norwich Union & Lancashire 6,000
London & Lancashire 2,500
Total $11,500

May 1, Oakland, Cal., saloon:
Imperial, London, Northern & Queen $500

May 22, San Francisco, machine shop:
New Zealand $577

May 28, Sonoma Co., Cal., barn and contents:
Home & Phœnix $1,725

May 10, San Francisco, flour mill:
Phenix, Brooklyn $474
American of Philadelphia 284
Providence-Washington 120
Allemannia 196
St. Paul 266
Fire Ass., Phila 392
State Investment 676
Western 420
Teutonia 589
Germania 196
London & Norwich Union 245
North German 614
Svea 473
New Hampshire 196
Manufacturers 241
Oakland Home 339
Insurance Co. of North America 450
Pennsylvania, of Philadelphia 241
Traders 226
Peoples 147
New Orleans 982
Total $7,769

May 21, San Francisco, building and stock:
Western, S. F. $1380

May 14, San Francisco, drug stock:
Western, S. F. $100

May 18, San Francisco, frame reduction works and contents:
Liverpool & London & Globe $450

May 26, Portland, Or., dwelling:
Hamburg-Bremen $400

May 25, Sprague, W. T., lodging-house:
Fire Ins. Ass'n, London $500
New Orleans 600
Teutonia 600

May 8, Wells, Nev., general merchandise:
London & Provincial $119
Helvetia 148

May 22, Stanislaus Co., Cal., dwelling:
Phenix, Brooklyn $370

May 27, Sargent Station, Cal., hotel:
Shoe & Leather $600

May 17, Nevada City, Cal., household furniture:
American Central $400

May 25, Butte Co., Cal. dwelling:
Dwelling House Underwriters $920

May 25, San Jose, Cal., barn:
Firemans Fund $150

May 16, Grass Valley, frame dwelling:
American Central $450

May 14, Napa, Cal., frame dwelling and furniture:
American Central $1,300

May 1, near Marysville, Cal., winery:
Ætna $350

May 23, Ball's Ferry, Cal., building and general merchandise:
Insurance Co. of North America $1,200
Phœnix, London 371

May 10, Truckee, Cal., general fire:
Manufacturers $1,318
Fire Ins. Ass'n, London 2,031
New Orleans 1,015
Allemannia 1,015
Girard 1,480
Teutonia 1,480
Agricultural 550
Firemans Fund 140
Total $9,029

May 30, Gilroy, Cal., dwelling and furniture:
Home & Phœnix $560

May 12, Colton, Cal., dwelling and furniture:
Lion $1,850

May 12, Contra Costa Co., Cal., dwelling and contents:
Imperial, London, Northern & Queen $500

May 13, Salem, Or., dwelling:
Royal, Norwich, Union & Lancashire $815

May 28, Salida, Cal., frame warehouse:
Oakland Home $450

May 7, Wasco Co., Or., dwelling:
Hamburg-Magdeburg $678

May 28, Santa Rosa, Cal, general fire:

Union, N. Z.	$250
American, Phila.	234
State Investment	3,200
Fire Ins. Ass'n, London	500
Commercial, N. Y.	375
Western, S. F.	375
Total	$4,934

May 5, Portland, Or., furniture:

Oakland Home	$640

May 8, Elko, Nev., dwelling and furniture:

London & Lancashire	$600

May 18, Salem, Or., frame building:

London & Lancashire	$908

May 11, Helena, M. T., merchandise:

Oregon	$900
Merchants, N. J.	900

May 19, South San Francisco, building:

Union, Phila.	$250

May 11, Puget Sound, W. T., steamer *Daisy:*

Phenix, Brooklyn	$168

May 21, Merced, Cal., dwelling:

Hartford	$2,500

May 28, Merced, Cal., dwelling:

Oakland Home	$562

May 26, Eureka, Cal., frame store building:

North British & Mercantile	$1,000
Firemans Fund	1,000

May 10, Washington Territory, dwelling and furniture:

Home Mutual	$1,000

May 7, John Day, Or., frame dwelling:

Connecticut	$700

May 25, Kelseyville, Cal., dwelling:

German-American	$300

May 19, Fresno Co., Cal., dwelling and furniture:

Home Mutual	$230

May 25, San Francisco, foundry:

German-American	$192

May 25, Sprague, W. T., boarding house:

Home Mutual	$1,800

May 21, Oakdale, Cal., general fire:

American	$1,000
Phœnix, London	350
Phenix, Brooklyn	235
New York Bowery	350
Western, S. F.	475

May 23, Amador, Cal., dwelling:

Home Mutual	$625

May 26, Truckee, Cal., dwelling and contents:

North British & Mercantile	$1,250

May 17, Compton, Cal., dwelling and furniture:

Home & Phœnix	$420

May 15, San Francisco, frame society hall and furniture:

Liverpool & London & Globe	$1,200

May 39, East Portland, Or., dwelling and saloon:

Hartford	$2,773

May 11, San Mateo county, Cal., frame dairy building and feed:

Liverpool & London & Globe	$11,500
Union, S. F.	2,653
Royal, Norwich Union & Lancashire	2,400
Total	$16,553

May 6, San Bernardino, Cal., dwelling:

Lion	$200

May 6, San Francisco, tannery:

Manufacturers	$1,075
New Hampshire	617
America Central	478
Amazon	478

May 21, San Francisco, store building:

Fire Ins. Ass'n, London	$1,645

May 21, San Francisco, dwelling:

Agricultural	$200

May 17, Merced county, Cal., frame barn and agricultural implements:

Northwestern National	$950
Niagara	950

May 18, San Francisco, malt house and malt:

Fire Ins. Ass'n, London	$1,000
New Orleans	1,000

May 21, San Francisco, malt:

Western, S. F.	$122
Grand total	$192,321

CHIPS.

—L. L. Bromwell is spending a couple of weeks' vacation at Kellogg Springs.

—Geo. C. Boardman and C. F. Mullins will return from Honolulu by steamer to arrive this week.

—E. W. Carpenter, of the Firemans Fund, is "swinging round the circle" of the company's agencies on a prolonged tour of inspection. He will be absent about five months.

—Geo. F. Grant is looking after the North British & Mercantile interests in Colorado.

—Warren Heaton has been appointed agent for Alameda county of the South British & National.

—A. L. Thiel, of Chico, one of the oldest and best agents in Northern California, left his card on the COAST REVIEW desk last month.

—The Victor Fire Office is the name of a new English company organized by Mr. D. Marshall Lang, late of the Commercial Union. Arrangements have been perfected for the consolidation of the Victor with the Glasgow and London Insurance Company, retaining the name of the latter.

—Among the heavy life insurance policyholders named in a Mutual Life advertisement are: Hamilton Disston, of Philadelphia, $475,000; Cyrus W. Field, $250,000; Frank Jones, of New Hampshire—who was "mentioned" for President Cleveland's cabinet—$205,000; Amos Whitely, of Ohio, $200,000; Walter E. Lawson, of New York, $145,000; Lawrence Barrett, the actor, $120,000; A. B. Farquhar, of York, Pa., $100,000; John J. Detwiller, of Easton, Pa., $100,000; H. H. Warner, of Rochester, the kidney man, $100,000; Gen. James F. Rathbone, of Albany, $100,000; R. J. Dobbins, of Philadelphia, $100,000.

—The Mutual Reserve Fund Life Association is under examination by the New York Insurance Department. We do not know how shrewdly it may patch up the accounts it submits to the examiner there, but we do assert that its statement to the Missouri department indicates that it is in the condition called "impaired." The statement justifies the conclusion that its mortality rate is heavier than its assessment rate, and that it will have to make a big, extraordinary or special assessment in order to "even up" its finances. This is just the way the United Order of Foresters started to a receiver. The Mutual Reserve Fund's system has been unsound from the very start, and we humbly think it is liable to "bust up" any day. Will its dying grip be fastened upon a license to do business in Missouri ?—*Western Insurance Review.*

—Col. Cunningham and Judge Brown, of the Glens Falls Insurance Company, who have been visiting the Coast, started homeward, *via* Portland, on the 19th ult.

—We told you so! We hear that the famous Washington Fire Insurance Company of New Tacoma died about the middle of May. Funeral private; no flowers.

—Jas. W. McAllister, President, Geo. F. Reger, manager agency department, and E. P. Foreman, supervisor of the Western department (Chicago) of the Franklin Fire Insurance Company, of Philadelphia, visited this city last month.

—We learn that Balfour, Guthrie & Co., of this city, have been appointed general agents for the Pacific Coast of the Caledonia Insurance Company of Scotland. The Caledonia was organized in 1805, and is the oldest Scotch company. The statement to be filed with the Commissioner is on the way, and the agency here will probably begin to write the Caledonia's policies about the 15th inst.

—Among companies ranking well in popular esteem is the United States Life Insurance Company of New York. The company is not very well known on this Coast, where heretofore its claims to consideration have not been properly presented; but now that Capt. J. W. Howell is the general agent, the United States Life may be expected to speedily gain that proportion of business which its standing in the East, and the liberality of its policies, certainly entitle it to. It is quite an old company, having been organized in 1850, and in these thirty-odd years it has successfully encountered those financial storms in which several worthy, stately enterprises foundered. In this period the United States Life has received $17,056,637 from its policyholders, to whom it has returned $11,712,537, and for whom it now holds in trust, to meet all liabilities, the sum of $5,209,687, the amount of its assets on the 31st of December last. The business maintains a steady upward movement. The insurance in force on December 31, 1882, was $17,167,105, and on December 31, 1884, it was $19,769,864. The payments to policyholders last year aggregated $636,149.

—A Boston Insurance Directory has been issued by the *Standard*.

—C. P. Farnfield returned from his Eastern trip last week. Mr. Farnfield was taken seriously ill at Denver, remaining there ten days, and is not yet fully recovered.

—E. T. Beddall, of New York, manager for the Metropolitan district of the Royal Insurance Company, made a flying trip to this city last month.

—Hugh Craig, Pacific Coast Manager of the New Zealand Insurance Company, returned on the 18th of last month, after visiting Australia and all the principal cities of New Zealand. Mr. Craig was absent four months, and returns with a higher opinion of California and San Francisco.

—Archibald Blair, Scotland manager for the London & Lancashire Fire Insurance Company, passed through this city, last month, homeward bound from China, where he has been looking after the interests of his company. The London & Lancashire does a very large and profitable business in that part of the Orient. Mr. Blair visited Yosemite and spent a day or two in Salt Lake City.

—Some time ago we mentioned the suit brought by a Milwaukee woman against the Northwestern National Insurance Company of Milwaukee by a woman for the value of a seal-skin cloak, burned at a store where its owner had left it. The cloak was insured with other wearing apparel "contained in" her dwelling. The county court has just decided that the words meant simply that the dwelling was the usual place of deposit of such apparel when not absent therefrom for temporary purposes incidental to its customary use and enjoyment; and further, that the taking and the leaving of the cloak at the store where destroyed by fire was incidental to the ordinary and customary use and enjoyment of that article of dress, and that the same was not absent from its usual place of deposit an unreasonable length of time. The case will go to the Supreme Court. If the little word "while" had prefixed the words "contained in," this suit would never have been brought.

—The new building of the Royal Insurance Company in Chicago is finished.

—Thomas B. Bell, general manager of the Lion Insurance Co. of London, is expected to visit this Coast within a few days.

—C. T. Hopkins, President of the California Insurance Company, has returned from the East. He reports the outlook for profitable fire writing as being discouraging, and the necessity for united action very pressing.

—H. Bronson Smith has been appointed special agent and adjuster for Smith, Snow & Moody's agency. Mr. Smith has been engaged as special and adjuster in the East for the past fifteen years, and for the past six months has been connected with the Pacific Insurance Union.

—Quite right! Says a Traveler's circular: "When Phelan started for the purpose of bearding O'Donovan Rossa in his own den, he knew the hazard and armed himself for the encounter with knife and pistol. That was his risk, not ours, and he must take the consequences. If Phelan or anybody else blows up a building or a railroad train with dynamite, the innocent sufferers holding our policies or tickets will be paid; but if Phelan or the other supposable perpetrator himself is injured or killed by his own explosion, we shall refuse to pay that claim."

—A few days ago there was a delightful social gathering at the pleasant home of Geo. E. Butler, in Ross Valley, Marin county, twenty-five miles north of San Francisco. The occasion was a dinner in honor of E. F. Beddall, of New York, and Geo. F. McLellan, of Los Angeles; and there were present, besides the gentlemen named, Messrs. D. J. Staples, J. A. Jones, Chas. D. Haven, Samuel O. Hunt, Rudolph Herold and J. G. Edwards. We need say nothing of the beauty of the scenery, nor of the excellence of the dinner, nor of the hospitality of the host and hostess, nor of the postprandial wit, nor of the spirit of good-fellowship so manifest in all; but we will add that the COAST REVIEW member of the party warmly hopes he may again enjoy a similar entertainment, with a like jovial party, some day, at the home of Mr. and Mrs. Butler.

—The COAST REVIEW Fire Insurance Chart will issue from the press in a day or two.

—W. B. Herriott, of Los Angeles, Cal., has been appointed manager of the Union Mutual Life for Southern California.

—The Fidelity and Casualty, the Metropolitan Plate Glass and the Lloyds Plate Glass insurance companies, have agreed to not issue or renew any long term policies on plate glass hereafter. They will also adhere to the former basis of three per cent. upon the importers' price list value as the minimum rate.

—The Firemen's Insurance Company, of Newark, N. J., has entered this field, and appointed Hutchinson & Mann its general agents. The Firemen's was organized in 1865, and has a paid-up capital of $500,000. The assets are $1,433,645, and the net surplus is $775,347. The Firemen's is one of the very few companies having a net surplus greater than the capital.

—Weaver, who was elected to fill a vacancy in the Illinois Legislature, and by "still hunt" tactics overcame an adverse majority of 2,000, is an insurance agent. He was selected because his nomadic profession enabled him to make a secret canvass without exciting the suspicion of the opposition. His candidacy was not announced until 4 o'clock of election day.

—The old Franklin Fire Insurance Company, of Philadelphia, has come to the Pacific Coast at last, after repeated solicitations for several years. The President and other representatives of the company were in the city last month, and after inspecting things generally, placed the agency with Ed. E. Potter, Secretary of the Sun Insurance Company of this city. The Franklin, which was organized in ye olden time of 1829, is one of the largest companies of the East, having $3,050,305 assets. Its net surplus is the very prepossessing sum of $801,525. The management has always been very conservative, and without any ambition to seek out and conquer new worlds. The business has therefore been greatly restricted as to territory, in accordance with a long established policy. The premium income last year was "close on to" a half million dollars.

—Four hundred of the smaller agencies of the California Insurance Company, in the East, were reinsured in the Phenix of Brooklyn.

—A Pittsburg reporter interviewed a life insurance agent, who said of assessment associations: "They are excellent schools, and a man who pays assessments, after a while comes to a regular company and takes out a policy. It is never hard to induce a man who has insured to do so again."

—The Fidelity and Casualty Company transacts four kinds of insurance, namely: fidelity, or surety, plate-glass, steam-boiler, and accident. It has a cash capital of $250,000, assets to the amount of $512,026, and a net surplus of $50,722. The business of the company has been steadily growing since the date of organization in 1876, and the assets and net surplus have kept uniform time to the music. The company is prosperous. Gains were made last year in all the departments. The premium receipts aggregated $413,934, a gain of nearly $50,000. In this field, where the company does a satisfactory business, it is represented by J. R. Garniss, the general agent.

—It is not always that a catch phrase in an advertisement is so appropriate and truthful as the "old and tried" of the Glens Falls Insurance Company, of Glens Falls, N. Y. The growth of the company is highly creditable to the management and speaks a volume for the popularity rewarding its dealings with policyholders. For example, note these advances: On January 1, 1873, the gross assets were $587,210 and the net surplus was $57,667. On January 1, 1885, the gross assets were $1,368,025, and the net surplus was $663,873. For three years the Glens Falls has presented the rare spectacle of a net surplus three times greater than its cash capital, and it has not been less for ten years. Gains were made last year in assets, net surplus, and premiums. Much of the satisfactory progress of the company is to be credited to the underwriting ability and personal popularity of the Secretary, J. L. Cunningham. Messrs. Jacobs & Easton represent the Glens Falls in this field, where the company always does a profitable business.

—The Brooklyn Life now occupies its handsome new building at 51 Liberty street, New York.

—"I think enough of life insurance to have my own life protected for the benefit of my family, for a considerable amount."—*Representative Samuel Randall.*

—Insurance Commissioner Foster, of Pennsylvania, who has filled the office so acceptably for the past twelve years, has been reappointed.

—In addition to the incendiary attempts in this State, narrated elsewhere, news comes of the firing of warehouses at Niles, and a barn at Mayfield. There is undoubtedly a gang of firebugs at work south of here.

—John Landers has been appointed manager of the Commercial Credit Union of New York, for California, Oregon, Nevada, Washington, Arizona and Alaska. The Commercial Credit Union is a new enterprise for reporting, procuring and protecting credit for patrons. The capital of the company is $150,000.

—Captain Wheeden, Baltimore's "individual underwriter," following the example of many American fire insurance companies, has retired. He allowed all his risks to run out, the last one expiring recently. The *Underwriter* says that in the thirteen years of his underwriting he had but three incipient fires, which were extinguished with a loss of not more than fifty dollars in the aggregate. Some men are certainly born lucky.

—It is stale news here at home, but we must record the capsizing of the British four-masted ship *Earl of Dalhousie* in San Francisco bay last month. To save a paltry hundred dollars for ballast, Captain Jarvis attempted to take his ship across the bay without that essential condition of nautical rectitude, and the result was a top-heavy ship which capsized a short distance from her moorings, the crew barely escaping with their lives. The wind was blowing a strong gale at the time. Some think the tug having the vessel in tow pulled her over. Parties have contracted to raise the sunken vessel. Litigation with the marine underwriters is expected.

—The United States branch of the Sun Fire Office of London has "got out" a beautiful glass agency-sign, made by the sand-blast process. It may be seen at this office.

—In 1882 there were sixty-seven co-operatives in Ohio; in 1883 there were thirty-seven, and in 1884 there were only twenty-one. The people of Ohio have had about enough of hat-passing insurance.

—The London & Provincial Insurance Co. will withdraw from the Eastern States. A cable telegram from the Manager to Mr. Syz, the San Francisco agent of the company, announces that the withdrawal from the East will in nowise effect the Pacific Coast agency, which has always reported direct to the head office in London.

—W. F. Lawry, who succeeds Hugh Craig as manager of the New Zealand Loan and Mercantile Agency, will in a few days remove to 314 California street, in the building of the New Zealand Insurance Company. Mr. Craig, the former manager, will continue to act as local adviser. The business of the company in this city is rapidly growing.

—The very poor character of the risks accepted by the Ancient Order of United Workmen is shown by assessments Nos. 8, 9 and 10, for twenty-five deaths, of which seven were from consumption, and two from heart disease. The three suicides reported do not speak well for the moral influences of the order. The proportion of consumptives is 28 per cent. This is a very bad record, and it may well frighten prudent members into withdrawing.

—The Bloomingfield (Ill.) grand jury has found over one hundred indictments for conspiracy and forgery against leading citizens of Metropolis, including the mayor, marshal and deputy sheriff. They were "respectable" graveyard insurance swindlers, operating through a co-operative. They collected money on the death of a man who died several months before he was insured, and got certificates on septugenarians by passing them as young men. Morrison, the Chosen Friends' swindler, of San Francisco, can't "hold a candle" to these Illinois rascals.

—C. B. Gilbert, Secretary of the St. Paul Ins. Co., was in 'Frisco last month.

—There is a society in this city claiming to be a branch of the Ancient Order of Foresters of England. Is it true?

—We are indebted to the New Zealand Ins. Co. for a copy of the *Pictorial Australian* for April, in which is a picture of the handsome home office building of the company in Auckland.

—We print elsewhere an article entitled "Gasoline or Naphtha Gas Machines." When the form containing it went to press we did not know to whom or what to credit the article. It is from Morrel's Guide to Agents, and is included with other information in a pamphlet issued by the Prussian National Ins. Co. to its agents.

—At the last monthly meeting of the Underwriters' Association of the Pacific matters of interest to adjusters were discussed, among others the apportionment of traveling expenses when more than one company is interested in the same loss; or other losses in the same locality. A resolution on each subject discussed was adopted as the sense of the meeting, to be finally disposed of at the regular meeting this month.

—In discussing the recent decision of the Iowa Supreme Court in the Ancient Order of United Workmen case, the Iowa *Workman*, the organ of the seceding lodge, says:

"It will be observed that the decision is explicit, showing the true character of the organization, defining it to be just what every sensible member of the order knows it to be, viz.: A life insurance association. The court further holds that the supreme lodge cannot do business in this State without having $100,000 guaranteed capital, a position which was held by the ablest attorneys in the State long before the suit was commenced.

"If this statute did not exist in our State, they further hold, following Lamphere *v.* Grand Lodge of Michigan, and other cases cited, that the Supreme lodge cannot enforce the so-called relief law in this State for the purpose of relieving overburdened jurisdictions."

This important decision is epitomized elsewhere. The Supreme Court decided that the Ancient Order of United Workmen is a life insurance company within the meaning of the statute, as "every sensible member of the order knows it to be."

—An unsuccessful attempt to set fire to the Vance House, at Eureka, Cal., was made a few nights ago.

—The *Argus* of Chicago has favored us with copies of its comparative charts giving the receipts and losses of the principal fire insurance companies in the several Eastern and Western States.

—H. L. Howe, formerly a local agent at Oakdale and Modesto, Cal., has removed to Sacramento, where he has charge of the agency of the Western Fire and Marine Insurance Company, of San Francisco, as local manager.

—Times are pretty hard in California, but the shrinkage of 45 or 50 per cent. in the wheat yield will not make them any harder, for it is generally admitted that there has been a corresponding shrinkage throughout the entire wheat-growing belt of America. Times ought to brighten considerably after harvest, and insurance premiums circulated more freely.

—O. S. Warren, a popular insurance agent at Silver City, N. M., has been taking a brief vacation in San Francisco during the past week or two. Mr. Warren represents twenty-six fire and life insurance companies, and is assisted by Mrs. Warren, who herself represents two companies. Silver City is a lively western town of three or four thousand inhabitants.

—It is estimated by competent judges that the wheat crop of California will be fifty per cent. less than it was last year, owing to the dry weather prevailing in many localities. This fact should impress agents with the importance of more than ordinary care and vigilance in the insurance of growing grain. While there is frequently occasion for the exercise of expert judgment as to the probable yield, the moral hazard is the main thing. In many localities promising fair crops there is still much uncertainty as to the yield, owing to a diminished rainfall and the ravages of insects. The temptation to exchange uncertainty for a profitable certainty by burning is proportionately strong with men of weak moral fibre. It is the business and duty of the agent to assure himself that there is no such temptation.

—It is reported that the National Board and the United Fire Underwriters of America will consolidate.

—We acknowledge the receipt of the annual reports, for 1885, of the Insurance Departments of Illinois, Missouri, Kansas and Colorado.

—A sealed circular, in mourning, soliciting growing grain insurance, comes to us from Dohrman & Lane, of Stockton. The mournful fact is that the wheat crop of the San Joaquin Valley is a complete failure this year.

—N. B. Harwood, a bankrupt St. Paul merchant who had $200,000 insurance on his life, died suddenly in Florida a few days ago. There is a suspicion that he committed suicide. The Equitable is interested to the extent of $100,000, the United States $25,000, Northwestern $2),000, Manhattan $2,000, New England Mutual $2,000, Penn Mutual $15,000, and the Maryland Life $1,000.

—Insurance Superintendent McCall has issued a circular announcing a recently enacted change in the reinsurance law of New York, the effect of which change he describes as follows:

All fire insurance companies transacting business in this State are by this act permitted to reinsure any risk, no matter where located, in any company, without regard to its holding a license from this department or not. But where reinsurance is made in a company not authorized to issue policies in this State no credit shall be allowed therefor to authorized companies, either as a reduction of the amount upon which taxes are required to be paid in this State, or as a deduction from the unearned premium fund, no matter whether the risk is located in this State or elsewhere.

—Ten or eleven years ago the dead body of Captain Colvocoresses, a Greek, was found on a street in Bridgeport, Conn. Whether murdered, or whether he had slain himself, could not be determined by the appearance of the corpse, but as he had but recently insured his life for a very large sum, it was believed that he had committed suicide. The claims were compromised, however. Now comes a story of the confession by a sailor, at Honolulu, of the murder of the Captain, in an attempt to rob him. The story is declared to be the canard of an "enterprising" newspaper.

—The National Board paid $1,700 in rewards for the conviction of seven incendiaries last year.

—A householder poured gasoline on the floors of his dwelling, to kill the moths. It is believed that not a moth escaped. At least so it is thought by the adjusters.

—Mr. English, editor of the *Insurance Times*, has withdrawn from the Insurance Journalists' Association, because, he says, the Association is willing to admit an advocate of assessment insurance.

—Of the eighteen English fire offices that have made public their annual reports for 1884, nine have increased and nine have decreased their premium incomes, the net decrease being $396,485. This unfavorable result is not to be attibuted to foreign competition, which has very much decreased in recent years.

—The People's Benefit Association, a Massachusetts co-operative, twenty months old, has received over sixty thousand dollars from members and returned to them less than ten thousand. Forty thousand, or two-thirds, have gone for expenses, and much of the remainder has not been accounted for. The People's Benefit is a fair sample of the assessment fraud.

—We may yet be able to discover the security offered by co-operatives. It is announced that with the aid of electricity the powers of the microscope have been so wonderfully increased that the cholera germ has been magnified 2,000,000 times. The image of one of these minute organisms was projected on a screen, at a recent exhibition, and was apparently the size of a human hand.

—One of the greatest sources of fires is the large amount of impure, adulterated oil sold. The New England mutual insurance companies have awakened to the importance of this subject, and test the oils of manufacturers free of charge. It was found that 37 per cent. of fires, in mills insured by them, originated through spontaneous combustion and friction caused by impure oils. I will not take space to describe the reasons for this in my report, but refer to my lecture on Fire Hazards in Textile Mills.—*C. J. Hexamer.*

—New Orleans insurance men are agitating the compact question. It is said that the prospect of forming one in that city is good.

—A new accident insurance company, to be known as the Hartford Equitable Indemnity Company, is being organized in Hartford. The cash capital is to be $200,000.

—Pennsylvania proposes to reduce the tax on other State companies to 2 per cent. of the gross receipts, and raise the tax on foreign companies to 5 per cent., as by so doing the aggregate income will be increased—if the foreign companies will only consent.

—A New York law prohibits the erection of apartment houses in excess of eighty feet in hight. It is a good law, in the interest of sanitary conditions, of human life, of the fire department, and of adjoining property-holders and residents.

—Some time ago one Cunningham, of New York, committed suicide by jumping off a ferry-boat. His life was insured for $25,000 in the Mutual Life of New York. He had assigned the policies to his creditors. Payment was refused by the company, as suicide vitiated the polices. The jury has failed to agree in the suit brought against the company.

—A company meeting with a loss recently had reinsured one-third of its liability. When time for payment came the company sent to the claimant a draft for two-thirds of his loss, with the information that the other third had been reinsured and that they would not remit for it until the same had been collected, and requested the agent to collect it from the reinsuring company.—*Insurance World.*

—The Mutual Reserve Fund Life Association and all other co-operative companies, do not and cannot issue a policy contract of insurance, but merely a certificate of membership, in which the certificate holder becomes a member or partner, and as a partner he derives certain benefits and incurs certain liabilities, among which may be mentioned the personal liability for all the debts of the concern during the period of his membership.—*Homans, in Insurance Times.*

—A wealthy farmer living near Parkersburg, W. Va., who fired his barn for the insurance money, had the self-respect to try to drown himself when his guilt was proved.

—A live stock insurance company, called the Security, has begun business at Bloomington, Ill., with a capital of $100,000. We fear it will soon be a dead stock insurance company.

—It is related of a successful life insurance solicitor that he would approach a man with this impressive, if not alarming declaration, uttered in the most solemn manner: "I want your life!" He never operated in Texas.

—Is this an English, French or Yankee notion? We have heard of it before. The proprietor of *Tit-Bits*, a new English journal, agrees that he will pay $500 to the "next-of-kin" of any person killed in a railway accident if a copy of the current issue of the paper is found on the body of him or her at the time of the accident.

—An efficient fire department lowers the premium rate, but when part of the cost of the department is added to the rate, as it must be when imposed on the companies, the process is about as rational as that of the Irishman who tried to lengthen his sheet by sewing a strip to the bottom he had cut off the top.—*Insurance Times.*

—The conclusion has been reached by M. Foyal that the absorption of atmospheric oxygen by coal dust usually produces the rise in temperature to which spontaneous combustion is due. He finds that lignite is ignited at the low temperature of 300 degrees, anthracite at 575 degrees, and other varieties of coal, in powdered form, at intermediate temperatures.

WANTED.

A gentleman who has had twelve years' successful experience in an Eastern State as a general insurance agent and adjuster of losses for first-class companies, desires a position to make himself generally or specially useful in some agency on this Coast. References given.

Address BOAZ, "Coast Review" office.

DO NOT FORGET

THAT

THE TRAVELERS

OF HARTFORD, CONN.

IS THE

LARGEST ACCIDENT COMPANY IN THE WORLD.

That it is the ONLY LARGE ONE IN AMERICA.

That it is also a LIFE COMPANY, with LARGER ASSETS in proportion to its LIABILITIES than any other Successful Company.

That it has written over 42,000 Life and 1,100,000 Accident policies.

That it pays for Losses by Death and Disabling Injury, $4,000 A DAY.

That it has paid to Policy-holders since 1864, $10 500,000.

That ONE IN NINE of all insured under its Accident Policies have received fatal or disabling injuries.

That its Accident Policies are NOT FORFEITED BY CHANGE OF OCCUPATION.

That its LIFE POLICIES are not forfeited by lapse of Premium after three years.

That it pays ALL CLAIMS, Life and Accident, WITHOUT DISCOUNT, and immediately upon receipt of satisfactory proofs.

That its rates are as low as will PERMANENTLY SECURE FULL PAYMENT OF FACE VALUE of Policies.

Record of the Steady Progress of THE TRAVELERS.

GROSS ASSETS EACH YEAR.		GROSS ASSETS EACH YEAR.	
July 1, 1865	$ 539,948 49	July 1, 1876	$3,924,991 38
July 1, 1866	742,139 00	July 1, 1877	4,205,951 62
July 1, 1867	879,394 90	July 1, 1878	4,453,393 89
July 1, 1868	1,059,605 24	July 1, 1879	4,798,677 74
July 1, 1869	1,251,491 67	July 1, 1880	5,171,875 01
July 1, 1870	1,457,719 64	July 1, 1881	5,854,824 03
July 1, 1871	1,743,648 89	July 1, 1882	6,441,158 16
July 1, 1872	2,103,295 91	July 1, 1883	6,977,234 28
July 1, 1873	2,513,893 38	Jan. 1, 1884	7,435,977 85
July 1, 1874	2,937,176 26	July 1, 1884	7,691,321 73
July 1, 1875	3,470,319 86	Jan. 1, 1885	7,826,456 83

James G. Batterson, *President.* **Rodney Dennis**, *Secretary.* **John E. Morris**, *Asst. Secretary.*

WALTER W. HASKELL,

Gen'l Agent for the Pacific Coast,

242 Montgomery Street, cor. Pine, ***San Francisco.***

DR. N. J. BIRD, MEDICAL EXAMINER.

—Clay Sexton is no longer fire chief of St. Louis.

—Frank E. Kirby, a New York businessman, has been appointed manager for that city of the Union Mutual Life Ins. Co., of Portland.

—The National Board of Fire Underwriters held its annual meeting last month. Little business was transacted. President Heald made no annual address as usual, simply making a few off-hand remarks. All will regret the omission, for Mr. Heald's papers, read at these meetings, are invaluable contributions. The old officers of the board were all re-elected.

—Mr. Albo de Bernales, formerly president of the Irving Ins. Co., and ex-manager in the United States of the United Re-Insurance Co., has returned from his trip abroad. He is not reported to have another British company to launch upon us; but, on the contrary, intimates that certain English managers are on their way over to decapitate unsuccessful representatives on this side of the ocean.—*N. Y. Review.*

—A somewhat peculiar case relative to the cancellation of fire insurance policies by an agent has occurred at Canton, O. The insured applied to the agent for $100,000 of insurance. The agent issued the policies and sent forward his daily reports, all of which were satisfactory with one exception. Company A instructed the agent to cancel its policy for $5,000, which order was complied with, and a policy of company B was issued in place of the one canceled. Company B, not liking the risk, ordered its policy canceled, and the agent then issued a policy of company C, which was also ordered canceled. Before another policy was issued the property burned. The agent had collected the premiums on the full $100,000, and had not refunded the premiums on the $5,000 canceled policy when the fire occurred, so that while the insured had paid for his full line of insurance, he was short the $5,000 policy, and the question to be settled, probably by the courts, is, who shall make good to him the $5,000—the agent or one of the companies that canceled its policy, and, if the latter, then which one? Who is responsible?—*Boston Standard.*

—The Oregon has been licensed to do business in Indiana.

—A conference to establish fifteen per cent. as the maximum commission to agents is to be held in New York this month.

—In April, 127 new buildings were erected in this city at a cost of over half a million. Contractors think the building boom will continue some time, despite the hard times.

—Joseph H. Wellman, special agent for the United States of the Fire Insurance Association of London, has resigned. His resignation has been accepted, to take effect Sept. 1st.

—The United Order of Foresters of Indiana is in the hands of a receiver. The society at one time had a membership of 10,000. The death rate was so large in 1881 that a reorganization was necessary. The death claims for January and February last amounted to $24,000, and the assessments to meet these claims reduced the membership to 1,800. A number of beneficiaries will of course realize nothing. The defunct society was formerly the Independent Order of Foresters of New York. The management was honest and capable, but a growing death rate defied all managerial ability. Next!

—We reprint from *Insurance* of New York a criticism of the annual report of the notorious Hartford Life and Annuity Ins. Co. Our contemporary shows that the capital of the company is a mere leech on the members who pay assessments, drawing its dividends from them, and giving nothing in return. The capital is not responsible for the losses of the assessment department, and it is simply outrageous that the stockholders' dividends should be included among the expenses of that branch. What will the assessment members of this patent co-operative say to this item of expense? But by far the worst thing that can be brought against the Hartford Life and Annuity is its California record, for it insured a Mr. Hunt, an Oakland citizen, tor $10,000 and paid his widow only $900 after a delay of a year or more. The company claimed that that pitiful sum was all the assessment yielded.

—Subscribers who may not receive their COAST REVIEW can procure the missing number by notifying us.

—"To make the association more generally known," the U. S. Mutual Accident Association of New York issues a paper. Needless enterprise. Disappointed beneficiaries will soon make the concern "more generally known."

—Finney, the Chicago agent of the United States Life Ins. Co., who was arrested on a charge of embezzlement, has been discharged. He has sued the company and its actuary to recover $100,000 damages. Mr. Finney is modest.

—It would be to the interest of Pennsylvania fire insurance companies if the present law of that State imposing a tax on non-resident companies were repealed, or so amended as to include the Pennsylvania companies. They would thus escape the retaliatory tax enforced by nearly all the States in the Union.

—The Ohio Legislature has passed a law prohibiting insurance companies, or their agents, from forming compacts or local boards. The penalty is a revocation of the license for three years. If the companies submit to this unjust law they will deserve, as they will certainly incur, the most hostile legislation that an unscrupulous lobby may devise, and an unfriendly majority enact.

—A scheme is on foot to establish a mutual fire insurance company in Oakland, and there are rumors of similar co-operative associations in the interior. So the Martinez idiot, he of the "California Mutual Equivalent Indemnity Association," is not to monopolize the honors and emoluments of hat-passing fire insurance in this State. These new mutuals are organizing under the amended law relating to fraternal and co-operative organizations. Well, we wonder what the fire insurance men who are members of assessment life associations can say against assessment fire insurance. Nothing, if consistent. If co-operative life insurance is safe enough for the relief of their families, then co-operative fire insurance is good enough indemnity for the protection of property. The tables are turned.

—The Standard of Cincinnati, a new $100,000 company, has reinsured in the Commercial of the same city.

—The Pittsburgh companies are determined to resist all claims growing out of explosions of natural gas or the fires resulting therefrom.

—A fire in the lumber district of Chicago, last month, destroyed about $600,000 worth of property, on which there was a half million of insurance. It is thought that the fire was caused by a sparking couple of locomotives.

—At the recent Tontine investigation in New York city, Mr. Chauncey M. Depew, who represented one of the companies under investigation, told this story: "The Tontine Building has been mentioned here. The facts about it were that years ago a number of Wall-street men bought a building, under an agreement that the property and its accumulated rentals should go to the oldest son who should survive all the oldest sons of the parties to the agreement. The property fell to General John A. King, who told me that the longevity of the twenty-five men was twice as great as any insurance statistics in the world have ever shown, and that it was all due to the infernal determination of every man to be the one to get that building."

—Speaking of the assessment companies the New York Superintendent of Insurance says that the pretenses and promises of some of the managers would be grotesque if they were not put forth in a serious way, and adds that if the promoters of some of the advertised schemes were pecuniarily responsible, they could be compelled, personally, by reason of their false representations, to make good their wondrous pledges. Graded assessments, he says, is the only method that can give any permanency to the co-operatives. The "club system" is denounced as contradictory of law and public morals, deserving prohibition. Assessment accident insurance has not proved successful, except by one or two associations, and where it is combined with life and health insurance, says the Superintendent, it gives no promise of better results.

—The Citizens Ins. Co. of Cincinnati has increased its cash capital to $200,000.

—The New York Life Insurance Report for 1884 contains the following comparative table showing the business and growth of the fidelity and casualty companies reporting to the Department:

	1883.	1884.
Number of companies...	8	9
Assets	$4,348,662	$4,988,476
Reserve.....	$1,245,903	$1,409,267
All other liabilities.....	340,122	281,626
Total liabilities.....	$1,586,025	$1,690,893
Capital stock.....	$1,957,560	$2,457,560
Surplus.....	805,077	840,023
Premiums received.....	$3,344,602	$3,632,650
All other receipts.....	180,078	242,185
Total income.....	$3,524,680	$3,874,835
Losses paid.....	$1,213,219	$1,454,586
Divs. to stockholders....	175,895	183,454
Expenses.....	1,651,835	1,880,170
Total disbursements	$3,040,949	$3,518,210
RISKS IN FORCE.		
Accident.....	$235,027,393	$250,749,763
Steam boiler.....	29,110,494	36,288,643
Fidelity.....	26,883,204	40,559,184
Plate glass.....	8,080,046	9,531,579
Total.....	$299,101,137	$387,129,160

OLD AND TRIED.

GLENS FALLS

Insurance Company.

ORGANIZED A. D. 1849.

Assets, - - $1,323,771.71

JACOBS & EASTON,

Gen'l Agents Pacific Coast,

216 SANSOME STREET,

SAN FRANCISCO.

ACCIDENT DEPARTMENT

THE PACIFIC MUTUAL LIFE INSURANCE COMPANY

OF CALIFORNIA.

PRINCIPAL OFFICE, 418 California Street, San Francisco, Cal.

ORGANIZED A. D. 1867.

ASSETS, December 31, 1884 - - - - - - $1,263,014 22

The Managers of this corporation beg leave to announce that they have, as contemplated by their articles of association, organized an Accident Department, with

THOMAS BENNET, Manager, and W. H. DAVIS, Superintendent of Agencies.

And that hereafter they will, in addition to life business, transact the business of Accident Insurance.

Rates the same as those of other standard American accident companies. Policy provisions more liberal and less technical. Are NONFORFEITABLE and WORLD WIDE.

INDEMNITY THIRTY WEEKS.

The patronage of the public is solicited.

CAPABLE AND RELIABLE AGENTS WANTED.

The United States Life Insurance Co.

IN THE CITY OF NEW YORK.

(ORGANIZED IN 1850.)

261, 262 & 263 BROADWAY, NEW YORK.

T. H. BROSNAN, President.

C. P. FRALEIGH, SECRETARY. A. WHEELWRIGHT, ASSISTANT SECRETARY. GEO. H. BURFORD, ACTUARY.

All the profits belong to the Policy-holders exclusively.
All Policies henceforth issued are incontestable for any cause after three years.
Death Claims paid at once as soon as satisfactory proofs are received at the Home Office.
Absolute security, combined with the largest liberality, assures the popularity and success of this Company.
All forms of Tontine Policies issued.
GOOD AGENTS, desiring to represent the Company in California are invited to address

J. W. HOWELL, Manager, 235 Kearny Street, S. F.

Comparison of Business.	1883.	1884.
Payments to Policy-holders for Death Claims, Endowments, Annuities, Surrenders and Dividends	$475,923 98	$636,149 13
	1881–1882.	1883–1884.
New Insurance Written	$5,664,211 00	$9,111,488 00
	Dec. 31, 1882.	Dec. 31, 1884.
Insurance in Force	$17,167,105 00	$19,769,864 00

Interest due and unpaid on Total Assets, December 31, 1884, NONE.

SURETYSHIP.

AMERICAN SURETY COMPANY

CASH CAPITAL, $500,000.

General Office, 160 Broadway, New York.

RICHARD A. ELMER, Pres. LYMAN W. BRIGGS, Vice-Pres.

This Company will act as surety on Bonds required in the Courts. It is the only Company organized in the United States devoted exclusively to Suretyship, and with all its assets invested in this country. It guarantees the honesty of Officers and Employees of Railways, Banks, Telegraph, Telephone and Express Companies, and persons employed by corporations and business houses holding positions of trust and pecuniary responsibility.

E. D. L. SWEET & SONS.....Western Managers, Chicago
HENRY K. FOX.....Agent and Attorney, Philadelphia
GODFREY MORSE.....Agent and Attorney, Boston
BASCOME & MUNSON..... General Agents, St. Louis

BROWN, CRAIG & CO.,

General Agents for the Pacific Coast.

C. VAN DYCK HUBBARD, Manager.

429 CALIFORNIA STREET, SAN FRANCISCO.

COAST REVIEW.

A MONTHLY JOURNAL, DEVOTED TO FIRE, MARINE, LIFE AND ACCIDENT INSURANCE.

J. G. EDWARDS, Proprietor,

320 Sansome St., (Room 14), San Francisco, Cal.

(Take the Elevator.)

VOL. 20. JULY, 1885. No. 7.

Digest of Recent Insurance Decisions.

FIRE.

A California Decision — Immaterial Error in Description of Property.—The defendant insured the property of the plaintiff, in the Overland Free Warehouse, situate at the northeast corner of Third and King streets, San Francisco. It makes no difference that this building was styled in the policy Overland Free Warehouse No. 1. As it was actually Overland Free Warehouse No. 2, instead of No. 1, the part of the description No. 1 in the policy should be rejected as false. No. 2 was the warehouse at the corner, while No. 1 was forty-six feet distant from it. If the property intended to be conveyed is described in a deed as Overland Free Warehouse No. 1, situate on the northeast corner of Third and King streets, San Francisco, upon proof that a warehouse of that name was situate at the northeast corner of the streets named, such warehouse would be held to pass to the grantee, though described as No. 1 when it was really No. 2. It appearing by the proof of the actual condition of the property that the description No. 1 was false, and that the remaining description of the property sufficiently identified it, the false part should be rejected. We know no reason why this rule does not apply to a description of property in a policy of insurance as well as to a description of property in a conveyance. The findings sufficiently identify the warehouse in which the property insured was stored. There is no error, and the judgment and order are affirmed.—*Hatch v. New Zealand Ins. Co.; Cal. S. C., June* 22, 1885.

Increasing the Hazard by a Tenant.—The tenant made some changes in the building wherein a shed was added to the rear, a new front put on, windows repaired, etc. Nothing in evidence tending to show that the agent of the insured, or the insured, knew of or consented to the changes which were made. *Held*, That the knowledge that the tenant was making general changes and repairs did not imply that the insured consented to such as would increase the risk, or that he knew that such were being made. It was for the company to show that the insured knew the character of the improvements: he was not liable for acts of the tenant done without his consent. *Held*, That where there is no knowledge on the part of the insured of alterations increasing the

hazard, omission from the proofs of loss of any statement regarding such alterations was not a false statement which would defeat recovery on this policy.—*Merrill, Agent* v. *Ins. Co. of N. A.; U. S. C. C., Minn., March* 23, 1885.

A DETAILED STATEMENT OF LOSS NOT REQUIRED — BURDEN OF PROOF ON THE COMPANY.—In Clement *v.* The British America Ins. Co., Mass. S. C., May, 1885, the company defended upon the ground of non-compliance with a provision in the policy requiring a sworn detailed statement in writing of the value of the property insured, other insurance, etc. The Court instructed the jury that while the stipulated proofs of loss are a condition precedent to the right of bringing this action, the insured is not bound to give a detailed statement of his loss. The insurance companies must ascertain such amount as they can, and pay, or else stand suit. Plaintiff's right to sue is not dependent on having sent to the insurance companies a detailed statement of his loss.

The jury brought in a verdict for the plaintiff. The instructions were by Judge Holmes of the Massachusetts Supreme Court. The defendant appealed to the General Term, and the case will be argued before the full bench.

STORAGE—EXCEPTIONS IN POLICY.—A policy of fire insurance, by its terms, covered goods of a certain designation "held in trust, on commission, or sold but not delivered," contained in a certain building, and a subsequent clause recited that "this insurance does not apply to or cover goods held on storage or repair, * * * unless separated and specifically mentioned." *Held*, That the latter clause ingrafted an exception upon the former clause, and that the former clause was not a specific mention within the meaning of the latter clause, and consequently that the policy did not cover goods which were held on storage or for repairs.—*Mitchell Furniture Co.* v. *Imp. Ins. Co., St. Louis C. of A., May* 5, 1885.

MARINE.

DOCKAGE CHARGES.—AVERAGE LOSS.—The steamship *Vancouver* was insured by the defendants for £70,000 for twelve months, ending March 1, 1875, "warranted free from average under 3 per cent. unless general or the ship were stranded." The plaintiffs sought to recover a particular average loss under the policy. The defense was that the loss did not amount to 3 per cent. In the month of February in the same year, while on a voyage from Hongkong to San Francisco, the vessel encountered heavy weather, and her sternpost was fractured, but this damage was not discovered at the time. On arrival at San Francisco, as well as at the time of the accident, the ship's bottom was very foul, so much so that no prudent owner could have allowed her again to proceed to sea without having been put into dry dock and scraped and cleaned. The vessel lay at San Francisco until January, 1876, when, her bottom having become very foul, the owners put her into dry dock for the purposes of being cleaned, scraped and painted only. While the vessel was in the dock for this purpose, the damage to her sternpost was discovered and made good. Had it not been for the necessity of repairing the damage, the vessel would have been discharged from the dock on the 6th of January, and the dock charges would have amounted to some $3,000 only; but as it was, she was in the dock from the 4th to the 11th of January, the whole of that time being occupied in doing the repairs, and the total dock charges amounted to $10,000. The plaintiffs contended that the warranty contained in the policy had been satisfied by reason of there having been an average loss of 3 per cent., and claimed that to arrive at this they were entitled to bring into account either the whole $10,000, or that sum less so much of the cost incurred up to January 6, as was due to repairs, either of which sums would be sufficient to bring the average loss up to the amount of 3 per cent. Mr. Baron Pollock *Held*, That the necessity for docking existed before the accident happened. The docking was due to the state of the ship's bottom, and was entirely separate from the question of repairs, the necessity for which was not known to exist when the vessel was put into the dock. The cost of the first two days was clearly due to the ship's condition, and therefore

the plaintiffs were not entitled to take that sum into account or any part of it, whatever might be the case as to the other days.—*China Trans-Pacific Steamship Co.* v. *Marine Ins. Co.; English Court, Q. B. D., May* 19, 1885.

UNSEAWORTHINESS.—A canal boat sprang a leak and sank. Plaintiff testified that two hours before the leak was discovered, the vessel received a slight jar, as though she had struck a log. Evidence was offered by defendant, proving that the boat was rotten and unfit to carry grain. *Held*, That the loss of a vessel without encountering peril is presumptive evidence of unseaworthiness at beginning of voyage. It is the duty of the assured, under such circumstances, to prove seaworthiness.—*Canal Boat* v. *Union Ins. Co.; District Court (Judge Blodgett), Chicago, June*, 1885.

LIFE.

INSURABLE INTEREST IN A MOTHER-IN-LAW.—The son-in-law, in whose favor the policy was taken, had no insurable interest in the life of his mother-in-law. He was not a creditor of hers, nor in any manner legally liable for her support or maintenance. Neither could inherit from the other. There was no consanguinity between them. The mere fact that he married her daughter gave him no such pecuniary interest in the preservation of her life as to permit him to effect a valid insurance thereon for his benefit. As to him, it was purely a gambling contract. — *Stoner* v. *Line, Admr., Penn. S. C., E. D., May*, 1885.

PRIVILEGED COMMUNICATION TO PHYSICIAN —WAIVER.—The executor claimed to be the personal representative of the insured, and standing in the latter's place, he had a right to waive the provision of the law prohibiting a physician from disclosing professional information. The law provides that the patient may waive the prohibition. *Held*, That an executor or administrator does not represent the deceased for the purpose of making such waiver. He represents the deceased in reference to rights of property only, and not in reference to rights pertaining to the person and character of the testator.—*Westover* v. *Ætna Life Ins. Co., N. Y. C. of A., April* 27, 1885.

PETITION TO REVOKE POLICY—HOSTILITY OF BENEFICIARY — VIOLATION OF POLICY CONDITIONS BY INSURED. — The insured, Peckham, and his beneficiary, a sister, quarreled, and their relations continued to be very unfriendly. Peckham petitioned the insuring company to revoke the policy on his life. The company refused. Peckham then brought suit in equity against the company and his sister, asking for a decree directing the surrender and cancellation of the policy, on the ground that it was a wager, obnoxious to the law, his sister, who is married, not having and never having had an insurable interest in his life; that the existence of the policy was an unjust interference with him and an incentive to its hostile holder to do him harm, and that it was void because he had violated its terms respecting residence. *Held*, That even though the policy was a "wager policy," Peckham consented to its issuance, and was estopped by his consent from contesting it, especially in view of the fact that his father and sister had paid premiums on it for twenty-three years. Even if not estopped, Peckham could not get from a court of equity the relief he asked. It was not a thing for a court to act on, that a person hostile to another had a wager with a third party, which wager was dependent for its payment, by the third party, on the duration of the life of the second. Peckham did not allege that his life was in danger from his sister, but his counsel claimed that all wager policies were void because their holders had a strong inducement to cause the death of the insured. The matter, therefore, came back to the facts that the policy was a wager policy, and that Peckham was estopped from contesting it.

As to the plea that the policy was void because the insured had violated its terms, *Held*, that such violation does not warrant a decree directing the policyholder to surrender the policy, and the company to cancel it. If void, there was an end of it. If valid, the mere apprehension of Peckham as to the security of his life would not furnish ground for interference by a court of

equity. No precedent or principle would warrant such interference. — *Peckham* v. *Grindlay and The Manhattan Life Ins. Co*, *N. Y. S. C.*, *June* 1, 1885.

ALLEGED BREACH OF CONTRACT. — The company wrote a letter to the brother-in-law of applicant, through whom negotiations were first made, accepting the application, but adding that the insurance did not begin until the first premium was paid. During the month allowed to pay the sum the applicant fell from a cliff and was killed. His administrator sued the company for breach of contract in failing to effect the insurance on life of deceased. The brother-in-law was the agent, and was authorized to pay the premium, but neglected to do so. Hearing of the accident, which had not yet terminated fatally, he offered the money to the company, stating the facts. The company refused to receive the premium. This refusal was sustained by the court.—*Canning* v. *Hoare; English Court, Q. B. D., June* 8.

ACCIDENT.

NOTICE AND PROOFS. — The policy was granted subject to proviso that in case of injury from accident the assured should give the company notice in writing of the occurrence of the accident, and also within fourteen days of the accident should forward medical certificates of the nature and extent of the injuries received. The plaintiff, who was insured in the defendant company, met with an accident in July, 1883. No immediate ill resulted from the accident, and whatever injury was received was not fully developed until the month of March in the following year. On the 17th of that month the plaintiff became ill; on the 26th he became entirely disabled, and on the 28th he gave the company notice of the accident, and the injuries which he stated were the result. The company refused to accept this notice on the ground that it was not in compliance with the terms of the policy, not being within the time limited. The court gave judgment for defendant company without hearing counsel.—*English Court, Q. B. D., May* 19, 1885.

ASSESSMENT.

BOUND BY A STRICT CONSTRUCTION OF THE BY-LAWS—PAROL EVIDENCE.—Plaintiff's intestate was a member of defendant co-operative. His certificate of membership recited that "a sum not exceeding $2,000" would be paid to whomsoever he might direct by entry on the books of the association or endorsement of certificate. He was in good standing when he died, but neglected to comply with the provision. *Held*, That he was bound by the rules of the association; that the "benefit" is not assets which his administrator can recover; that parol evidence is not admissible to show to whom the member intended the benfit to be payable. — *Eastman* v. *Provident Mutual Relief Association*; *N. H. S. C.*

A Michigan Agent Rises to Explain. — The Compact System Defended.

[Extract from a speech by J. S. Cross, insurance agent and chairman of the Insurance Committee of the Michigan House of Representatives. The bill under consideration was the Hampton Anti-Board Bill.]

The annual waste by fire is appalling in its magnitude, reaching in 1884, in the United States alone, the enormous sum of $110,000,000. So much of the real and personal wealth of the nation is totally swept out of existence as if submerged in the deepest ocean. The insurance tax to repair this waste reached nearly the same amount. The question of how best to check this enormous waste of property, may well engage the minds of the greatest political economists and statesmen of the day. It is one of the gravest questions of the hour. As legislators we should carefully consider the import of laws which may have a bearing upon this subject.

The opinion of many is that the underwriters themselves are largely responsible for this condition of affairs; and among the reasons given is the pernicious system of compensation to local agents for their services, by paying them a commission on premiums taken for insurance, placing in the hands of unskilled, incompetent, and sometimes unprincipled men, the power to

jeopardize thousands, or even millions of capital, without responsibility, and actuated only by a greed for commissions. The plan of having competent men at central points, on a salary, to conduct the business of the companies, would have the advantage of giving good talent to the work, but would entail a large expense upon the assured in journeying to and from this central point to place insurance, and it would lack that element of personal supervision, which is one of the most important duties of the local agent.

THE LOCAL AGENT

is a necessary evil. The would-be insurer demands that his security shall be delivered like his groceries at his very door, and like his grocery account, there is often a long and painful (to the local agent) interval between the delivery and payment for the same. The local agent is selected from among themselves, frequently after he has failed at numerous other vocations. His friends say, perhaps among themselves, "Well, John is a good fellow, and as we've got to take care of him any way, and he ain't good for anything else, we'll make an insurance agent of him; anybody can be an insurance agent, you know." The business of a local agent is done upon the basis of a friendly acquaintance with his customers, who are not only his intimate friends, but are his bondsmen, and not unfrequently call his attention to the great obligation under which they have placed him in thus giving him their endorsement and support, and that he is in duty bound to give them the benefit of any concessions which he may be able to wring from the monopoly which he has the honor to represent, and which persists in charging a ruinous and extortionate rate of insurance. Often this may go so far as to work gross injustice to the insuring public, who must pay large sums in excess of their equitable rate of taxation, to repair the waste of capital which has been lavished upon his friends. I will assume that it may be comparatively easy to persuade some local agents to place a line of insurance upon property which is poorly located, out of proportion to the business done, or otherwise objectionable, for a friend, which even his best judgment would condemn. Such a risk, as I believe, would never pass the searching examination of a compact manager, who not being blinded by a commission, and only interested in reducing the fire loss, would view the property from an entirely different standpoint. And how natural and easy it would be for the local agent to say to the disappointed property owner—dash that manager; if it was not for this infernal compact, I would have written it for you at half the price he wanted, and the property owner wonders how the manager discerned his secret.

THE COMPACT SYSTEM

which this bill is designed to abolish, as now practiced in this State, combines the local agent and the salaried inspector. The inspector, or manager, as he is called, is selected by the companies on the advice and approval of the local boards, and local agents, and is paid a salary by the companies, proportioned to the amount of business done by each company doing business in the district under his charge. He is selected for his skill and integrity as an underwriter, and must be a non-resident of the district at the time of his appointment, and must give bonds not to engage in the insurance business in the district under his charge, within three years from the date of his resignation as manager. It is his duty to visit the various towns and villages in his district, make the acquaintance of the agents and assured, regulate the rates to be charged upon the property to be insured, and advise and co-operate with the local agents in the conduct of their business. He must determine and adjust the elements of fire hazard existing in each locality, correct the evils growing out of the commission system, by raising the rate here and there, reducing it in other cases, giving due credit for improvements in architecture, arbitrating differences between the agents and assured, explaining obscure contracts, and reforming faulty ones, suggesting improvements in buildings, seeking always to reduce the fire loss, and to eliminate so far as possible, the moral hazard; interested equally with the local agent and the assured in promoting harmony of action, and es-

tablishing correct practices of underwriting, his services would seem to be not only eminently proper, but essentially necessary to mould and discipline, and organize the system of fire insurance, so that it may prove to be in fact, as well as in theory, a protective, instead of a destructive force.

A NEW THING.

While the system of local agents and local boards of underwriters have been in practice so long as to demonstrate the actual necessity for their continued existence, the compact system which, as I have endeavored to show, is an improvement upon the local boards, is of comparatively recent growth. It has been practiced only about three years, and at first the opposition to this plan was very bitter. Like all great reforms, it had to run the gauntlet of public opinion. Two years ago, when this bill was before this Legislature, petitions by the thousands came in from all parts of the State, urging its passage. Business men from Grand Rapids and Detroit labored upon the floor of this House for days and weeks to secure its passage. Now, however, that its workings are more clearly understood, no business men appear to lobby for it, and but few petitions are received, and these are not from the commercial centres, but from what we are inclined to look upon as the remote districts, where the inhabitants appear to have a terrible antipathy toward grasping monopolies, which exist only in the figments of their disordered imaginations. We can already begin to see the effect of the compact upon the insurance rate. Last year, under the most terrible strain upon insurance capital which has ever been known, caused no doubt by the financial depression, the cost of insurance under the compact system was reduced over $54,000 from the rates charged in 1883, as shown by the Insurance Commissioner's Report. In a word, to quote the favorite expression of my distinguished colleague, the compact system of rating is a "move in the right direction."

The Pennsylvania license of the Mutual Reserve Fund Life Association of New York has been revoked by Commissioner Foster.

The Local and the Business — A Bluff Reply from the Irrepressible.

EDITOR COAST REVIEW — As the central figure, the crowning glory, of the old-time circus used to say, as he bounded into the ring, "Here we are again" I had thought the show was over, as far as I was concerned. I had read the comments of the *Monitor* and New York *Review*, and other insurance journals, and as they all coincided with the main points of my article, and applauded the idea of securing a unity of interest among property-owners, companies and agents, I felt that I could subside and let time finish the work.

OBITUARY.

But here comes a "Special and ex-Local" in the June COAST REVIEW, and I guess I will just call up the locals, preach his funeral sermon, and proceed to bury him without going through with the formula of killing. He ought to be killed first, but he may die before we reach the last amen, and that will be better. He may acquire a fire insurance idea or two, which will be of value to him in the other world. His adoption of the cognomen of "ex-Local" is nothing less than grand larceny. Our united verdict is that he never did a local business of $1,000 per annum. He failed as a local, and was taken into the office on account of his clerical ability.. He buttoned on his elegant monogram collar and put on his monogram spectacles, and has worn them so incessantly that a beautiful sunset, which you and I would enjoy in silent ecstacy, is to him only a reflection of that everlasting monogram. He will gaze lovingly into a cocktail, to first catch all the sinuosities of that wonderful back-action combination of letters, ere he swallows it.

WHO OWNS THE BUSINESS ?

But, my brother locals, to his letter. He asserts that the business does not belong to us, but if it does, "let the festive local pay the losses awhile. It will do him good, and teach him who is the greater figure-head." Of course it will, my son; and we will proceed to do it. I remember very well, twenty-three years ago, when your company first

organized. Bill Sexton was packing his blankets clear into the heads of the hollows of Placer county, and George Dornin was idling life away in the glowing summer noons and gorgeous sunsets of the San Juan Ridge. Both of these worthies were happy then, for they knew nothing of the classification of hazards nor the sad disappointments in the Kinne Rule.

"The hills were brown and the heavens were blue,
A woodpecker pounded a pine top cone,
The partridge whistled the whole day through
For a rabbit to dance in the chapparel,
And the gray grouse drummed
All's well—all's well."

Neither of them dreamed that an insurance company was born—for them to make. But your company organized, and, to the best of my recollection, you used about $2,000 of the stockholders' money to fit and furnish your office. You paid that back at the earliest possible moment, and since then you have never touched a dollar of their money.

"THE FESTIVE LOCAL"

has paid all your salaries, all your losses. He has given your stockholders handsome dividends, and you have put by a handsome surplus. The "festive local" has done all his, and yet your office calls him the "hopper of the machine"—a mere wooden receptacle, not imbued with any sense or ability. You propose to teach him that the labor of his life belongs to you. Do you remember the story of the fellow who was in jail? His attorney swore they couldn't put him there, but the fellow insisted that he *was* there, all the same. So it is with the business. It belongs to the agent, and he will keep it to the end of time, and it will be your bread and butter and chicken-pie always, if you treat him fair and right. Mr. Stoddart, of the New York Underwriters, has demonstrated this; Tom Bennet, late of the Travelers, will verify it.

Your simile of the C. P. R. R. ticket agents is to be pitied. The comparison has no earthly relation to the subject matter.

You say the agent who educates his customers to look to him is building up a business on the

"COMPANIES' COIN."

Not one of us intends to do anything so naughty. We had been laboring under the delusion that this "companies' coin," as you call it, was simply the petty contributions of the many held in trust and kept at interest to pay the losses of the few. If your company — that's the stockholders — want the coin, let them pull in their sign, reinsure and retire. Then the money is theirs. But until then, it is the property of the policyholder and his right-hand man, the "festive local."

ONE LOCAL PER COUNTY.

The idea of one local for a whole county isn't anything new, is it? Been tried lots of times, eh? We sigh for a lodge in some vast wilderness—some place of eternal rest—for you do make us awful tired. I never intimated that an agent should take your one company, or any other one company, for a district. The poor devil would starve in ninety days. I said, "put one good man on as local agent for Sacramento county," not for one company, but for all the companies in the compact. Keep their lines as they are, divide the new business pro rata, give him exclusive jurisdiction, pay him a salary and a commission on the profits at the end of the year. Superintendent McCall says amen; Col. Kinne and L. B. Edwards would both save work and make more money. You would not, because of those monogram spectacles—you can only see one company in all the wide world.

WHY THERE IS NO PROFIT.

Profits with a big P is what the companies want, is it? The Tehama county loss ratio bothers you, does it? Well, my son, Lee's agency shows a handsome profit, but Tehama county does not, and it never will as long as you and other agents continue to write $1,000 on a $400 barn, $5,000 on a $4,000 building, and $2,500 on a $1,000 stock, and so on *ad infinitum*. And when you come to adjust the loss, your first inquiry is as to the origin of the fire. Go to. Lee's companies have paid losses for other agents' blunders, but he proposes to keep out of range hereafter. Dost twig?

WHAT SEXTON SAID.

And now, finally, my dear locals, this spurious ex-local quotes Sexton! Just dig

that grave four feet deeper for that. Sexton says, "The assured makes the hazard, and we make a rate to cover it." That intricate monogram flitted across your vision again, and you were so absorbed in tracing its deviations that you didn't hear him finish. "But, my boy," says Sexton, "teach the assured to reduce the hazard, to pull out the stove-pipe, tear down the cloth lining, and save money for himself. Two per cent. dwellings are not paying risks. The company prefers a lesser rate, *and an improved hazard.*" You called yourself a special, did you, my son?—and you never learned this important lesson. Sexton must have got something cross-ways when he was coaching you. He generally rubs that little doctrine in, so that it sticks.

And now, my brother locals, as there is nothing further but words in the article under consideration, let us close these obsequies. Be generous, erect a handsome stone, and engrave thereon an epitaph that will be a lesson to all who travel in our paths:

SACRED TO THE MEMORY

of a Royal Good Fellow, an Accomplished Accountant, an able Adjuster, and a Pleasant Gentleman; but he knew no more of practical insurance than to seek to play us and underwrite himself as "Special and ex-Local."

Peace to his ashes. Rest to a monogram, wearied soul.

Next!

Yours truly,

BRUCE B. LEE.

P. S.—Before the next "Special and ex-Local" gets up to speak his little piece, I would call his attention to the "Straight Commission and Contingent Commission," in the New York *Review* of June 11. Wrestle with that proposition, and take the agents into partnership with you, and then add my exclusive jurisdiction and exclusive insurance agent plan to it and you cut this one hundred and ten million fire waste down one-half. There is your profit with a big P worth looking at. LEE.

The life of Senator McPherson, of New Jersey, is insured for $110,000. No co-operative need apply.

Advantages of Old-Time Underwriters.

[From the address of C. B. Whiting, Secretary of the Hartford Fire Insurance Company, before the N. Y. State Association of Supervising and Adjusting Agents.]

The early company never contemplated fully indemnifying in case of total loss. It was always the intention the assured should have an interest in his property beyond the insurance, and only when the calls of trade, as years rolled by, demanded full insurance as a basis for credit, was it assented to. It is a grave question whether its recognition was in the interest of the body politic. It enabled merchants to get credit very far beyond their capital, and thus provided them with means to monopolize trade. It is true it assisted the small dealer to commence business when his scanty means would have prevented, but, at the same time, it was a hint for a fire in case his business was unprofitable. It was this full and oftentimes over-insurance which suggested the three-fourths value clause to the managers of the Protection. Here then was the first great evil the business had to contend with.

The second, and it is the crying evil to-day, the depreciation in the quality of the service rendered to companies by their agents. As commissions increased, more were attracted to the business, and with numbers the standard of efficiency was lowered. The companies have never since the rate of commission exceeded five per cent. had the proper and legitimate work of an agency performed as well as it was performed before. At that time every policy was based upon an application and survey signed by the assured, and in most cases made a warranty under the policy. The small rate of commission was no inducement for an agent to give his company an undesirable risk. How is it now? How many companies doing an agency business, at the present time, get surveys on special hazards even? They get some, but not many.

In the early times, I will defy you to find a single policy with other insurance without notice permitted, written upon it, and now "O. I. P." is seen on thousands of policies, and put there with a rubber stamp, and even

in some cases of small dwellings, the risks are accepted without question.

In the early day, who ever saw forms of policy on household effects printed and distributed for the use of agents which contained in one item everything one would find in the dwellings of the most opulent, commencing with household furniture useful and ornamental, and ending with pictures and their frames, not exceeding cost, watches, jewelry, statuary, and bric a-brac. Such forms I have known to be distributed in districts of small farmers, where the average insurance on the furniture would not be over five hundred dollars, and where in many cases of loss, the meaning of the terms used would have to be explained to the assured.

I said we do not get as efficient service from our agents now as in former times, and I said it understandingly. Though the average commission is to-day higher than ever before, the labor performed is less. Sanborn's maps relieve many from stating exposures, and where there is no map, there is a disinclination to make diagrams showing distances, and when made, seldom are the exposures on the opposite side of a sixty foot street shown at all, and on renewals these formalities are invariably ignored. And yet every now and then we have appeals for more commissions and many companies grant it. I do not want to be considered as including and condemning all agents in these remarks. There are many conscientious and painstaking gentlemen among them, and these will take no exceptions to what I say, for they well know the statements are true, and they condemn these slack practices in no measured terms.

Is it to be wondered at that we have fires? Is it not a wonder we do not have more with our loose methods and the encouragements we are all the time giving the dishonest and knavish. Nor is this all, we place temptation in the path of the weak; and I have no doubt many a man has a weight of guilt resting upon his soul for which we are entirely responsible, and for which we should be censured and condemned. Look at our rates compared with those of the early times, and then look at our loss ratio compared with theirs. For the first fifteen years the Hartford was in business, the company divided eighty-six per cent. of the premiums in dividends. The balance of fourteen per cent., together with the interest on the assets, carried the company along, and a handsome amount (for those times) was added to the surplus; but as years rolled by, and commissions increased, which brought with every advance a legion of additional agents, although rates went forward with them, though not in the same proportion; yet when we take the business of the same company for fifty years, we find the ratio of loss is raised from seventeen per cent. in the first fifteen, to sixty-nine per cent. during the whole period; and yet the business, notwithstanding, was profitable, for the ratio of expense covering this time, even with the increase of commissions, was but fifteen and one-half per cent. The average for the first fifteen years, including the cost of organization, was but eleven per cent.

Gentlemen, were the services rendered to companies now as they were in the earlier years, and which are paid for at a higher rate of compensation than ever before, it would not be your business to survey and inspect risks. It would be your business to regulate lines and adjust the losses. The risks would be passed upon and their eligibility decided by the local agent, who on the ground has a better opportunity to examine the physical hazard in all its various points than you possibly can, for he can see how buildings are constructed. He should in every case where he is either unfamiliar with the hazard or not perfectly posted as to the character and standing of the assured, either decline the risk, or make out, or cause to be made out, an application and a survey of the premises to be signed by the assured in duplicate, one copy being left with him so that no excuse could be offered that he did not know what he had signed if a loss should occur. No risk should be taken for a company when there is the least suspicion about it morally, or the physical hazard is such the company is better off without it. How many times have we all known agents to decline a risk on account of its hazard, and

then yield so far as to send it to "one of my companies to see if they will take it," suppressing all he knows about it, and if accepted washing his hands of all responsibility in case it burns.

The early agent did nothing of this kind. For the time he was the company. He did not report oftener than once a month, and distant agents were allowed six months to make their returns. He decided by what he knew of the applicant and the risk whether he wanted the insurance. Of course there were faults of practice in the early day, but these faults lay more with the companies themselves than with the agents. There was no difficulty in getting efficient service if it was looked for. Agents of high character were readily secured; very few depended upon insurance solely for a livelihood. It was incidental, the main reliance being upon some other business. There were not many solicitors, and no brokers. There is a movement on foot to get more usefulness out of agents by lowering the amount of commission and giving them a contingent on the profits. Is this not a sad commentary on the servants of the companies that in order to get them to do the work properly for which they are paid, the companies must take them into partnership? Would a merchant take his clerks into partnership because they were inefficient and neglectful? Of course not. Then why should a company do so, and yet, humiliating as it is to own, there are very many companies who believe this is the only way to get such a knowledge of their business as to make it profitable.

It is true the early underwriter had some advantages which we do not now have. As has been already indicated, his method of putting business upon his books was vastly superior to ours. He had an advantage over us in the superior construction of his buildings, his chimneys were perfect, and in this one item there was a great immunity from fire. There were more brick in an old-fashioned chimney, as you all know, than there is in three of our modern build. The hazard of kerosene was wanting, the whale furnishing the family light. Gasoline and its kindred incendiaries were unknown, and the thousand and one inventions which have since arrived, increasing our fire hazard, he did not have to encounter. It makes us smile when we see the lines he wrote, and the rate he charged, but, judging from results—and they are the true criterion of ability—I am sure the early underwriter will compare very favorably with his more modern brother. He knew, and believed in his agent, and his agent did not deceive him. With this all-important factor in his favor, in truth, the only real essential to success, I can see where he had a great advantage over us, and if there is any lesson to be learned from the history of the past, it is that we should, above all other things, look well to the character, the good judgment, and the honesty of our representatives.

Trying to Start a Boom—The A. O. U. W. Alarmed.

The leaders of the California jurisdiction of the Ancient Order of United Workmen have become alarmed at the recent rapid increase of the death rate, and a consequent falling off of the membership. The necessity of levying three assessments for June, and two for July—five for two successive months—was recognized as a source of real danger to the welfare of the order. To offset the inevitable loss of membership following these extraordinary assessments, it was resolved to start a little boom, with the aid of the presence of the founder of the order, J. J. Upchurch. The condition of affairs in this far-off branch of the society being unmistakably desperate, "Father" Upchurch was prevailed upon to take a long trip across the continent, and endeavor to revive the drooping prospects of the California division. A committee of "brothers" were dispatched to escort the old gentleman to the land of fraternal despondency. The little advertising devices which politicians and actors have worn threadbare were employed by the escorting and receiving committees. The services of the associated and local press were adroitly secured, and newspaper readers learned for the first time of the existence of a commonplace old gentleman, who was inventive enough to establish a pseudo-fraternal in-

surance scheme, and shrewd enough to profit by it.

Arriving in San Francisco, a "grand" reception was formally given. Several hundred Workmen donned their regalia and walked themselves footsore in furtherance of the great object of advertising the order, and thereby persuading new members to come to the relief of the old members who have been assessed five times within two months. For several days the ordinary newspaper reader was bored by frequent references to the Ancient Order of Shoddy-Insurance Hunters, and nauseated by dreary platitudes and sentimental gush, if he dipped into any account of the proceedings of the order. These receptions, and parades, and picnics, and the tedious, monotonous, plagiaristic speeches of Brother This and Brother That, are to be repeated over all the State or Coast. "Father ' Upchurch is to be dragged here and there, and feasted and toasted, and mercilessly bored to the verge of death, and his pictures hawked about on the highways, that outsiders may be attracted in sufficient numbers to save the California jurisdiction.

The foregoing is not a fancy sketch. The Ancient Order of United Workmen in this field is actually in trouble. Similar societies have multiplied at the expense of the Workmen, as the COAST REVIEW predicted last winter. "New blood" in abundance is the only thing that will vitalize the order. The managers, or leaders, realize the situation. The death rate is too high. The members are withdrawing. The predictions of the "old liners" are being verified by the experience of this comparatively new order. So imperatively necessary is an increase of membership, that new lodges are being established in limited fields fully occupied by old lodges. The new lodges are being created to induce men to join as charter members, and thus save the usual entrance fees, and perhaps be invested with a high-sounding title and clothed in gorgeous official regalia, without the usual delay in securing promotion.

Additional evidence of an effort to "boom" the order, and the necessity of extraordinary exertions, is to be found in the columns of the *Watchman*, the organ for this Coast. For example: "Meetings are being more largely attended. This is a part of the result of Father Upchurch coming among us." "There are thousands who should become members; *the sooner the better* for the benefit of the order." "For the past few months most of our members have been lukewarm in their efforts. They owe it to their fellowmen and families to bring them into the good fold." "Let every Workman do his duty." "During Father Upchurch's visit of several weeks in California, which lodge will furnish the largest number of candidates for initiation for his presence and benediction?" "Let the enthusiasm aroused in the ranks of the A. O. U. W. in California, boom all over the Union." "Brethren, can you not show some extra zeal?" These are the statements and earnest appeals of a writer who realizes the danger threatening the existence of the order. To the last assessment notice the finance committee append a special statement, virtually remonstrating with complaining members.

The death rate of the San Francisco lodges has been so large, recently, that an explanation is sought in the greater mortality of the city. Committees are to be appointed from all the lodges to get the Supervisors to take action with reference to the defective sewerage. This action is undertaken to blind the members to the fact that the increasing death rate is the unavoidable concomitant of assesement life insurance—that the system and not the sewerage, is responsible for increasing assessments.

The affairs of the order at large are not flourishing. The yearly increase of membership has been diminishing with significant regularity, lately. For the year ending May 31, 1883, the increase was 18,013, the next year it was 15,894, and last year it was only 11,053. Clearly, something must be done, else the order will cease to advance, and accumulating assessments will speedily end in dissolution.

Seventeen fire insurance companies ceased to do business in Illinois last year. Seven of these wound up their affairs, leaving ten that voluntarily withdrew.

Portland Correspondence.

PORTLAND, OR., June 26, 1885.

EDITOR COAST REVIEW—We have had quite a little blaze in East Portland. This place has a volunteer department. The volunteers deserve credit and praise and plenty of it, but a paid department is what all these towns need. In this case the fire ought to have been checked immediately with but a nominal loss, but unfortunately the "boys" were not satisfied with the engineer, and did not propose to turn out at his call. Result: fire got ahead, and only when it assumed most serious proportions did they conclude to show up. Then they did some very good work, with the kindly assistance of Chief Morgan, who sent an engine over from Portland. The wind happened to be pretty strong, and at one time the whole town looked as if it might be in serious danger. East Portland has a population of some 7,000 or 8,000, and the taxpayers would be better secured and get far better rates by having a paid department.

It seems to me that most of these frame ranges are bound to go. In looking over statistics for the past few years, I find that these frame fellows almost invariably go up. I do not mean that frame ranges ought to be *totally* rejected, but the rates cannot be too high. I will change the word "rejected" into "selected." There is plenty of money in this class of business, but it has to be of the most select kind. Agents cannot be too particular in examining most thoroughly the moral and physical hazard.

The firemen's tournament held at Astoria was a grand success. "Capitals No. 1" of Salem are the champions of the State, beating "Rescue No. 2" of Astoria by just one-fifth of a second (pretty close figuring) in the State Association hose race, and thereby winning a prize of $200. The Astoria boys are hardly satisfied with this result, and have issued a challenge to any company in the State to run a hose race for from $500 up to $2,000. This competition is good and will no doubt be the medium of improving the various companies. There was no hoodlumism or wrangling of any kind. The next tournament will be held at Salem.

A NEW WATER COMPANY.

We have a monopoly here called the "Portland Water Works," who for years past have ground money out of the citizens by the bushel. Without exaggeration, it cost many householders more for their water than for their bread. Our city is growing too large to stand this kind of thing much longer, so at last war has been declared. P. F. Morey, formerly of your city, is the first to enter the lists. He is backed by some heavy capitalists, and has already done much good for the city, in introducing the hydraulic plugs. Morey's proposition to the council is that the city engage to pay him $40,000 per year for water for all public purposes, during the term of twenty years, including maintenance of 400 fire hydrants, water for sprinkling the streets, flushing sewers, and supplying city offices; and after twenty years, water for all these purposes shall be entirely free. Furthermore, he agrees to furnish citizens water of the purest kind for just one-half the rates charged them at present. The fire department will find it much easier to fight the flames by the hydrant system than under the present engine regimé. Morey claims a saving of over $11,000 per annum as the difference between the engines and the cost of maintaining hose companies. On top of his proposition came another from the Crystal Spring Water Company, who offered to go one better—that is, only to charge the city $20,000 per annum—but their offer has not been accepted. Morey succeeded in getting his scheme accepted by the Council at their last meeting, but no sooner had the vote been recorded than an injunction was served, issued from U. S. Circuit Court by Judge Deady on each and every member of the Council. Some good must come from this war. We insurance men are interested in this thing.

NEW APPOINTMENTS.

Messrs. Corbitt & Macleay, one of our most influential firms, who have had the agency of the Imperial combination for many years, have finally concluded to resign. I record this with some regret, for their high standing in the community added lustre to the insurance fraternity. Mr.

Gunie did some excellent work—first, by splitting up the various companies; secondly, his appointments are remarkably good, and will invite keener competition than ever. Mr. Clayton has associated himself with Mr. Oliver of the California, and gets the Imperial and with it all Macleay's former business. The Oregon Fire and Marine get the London, and this certainly assures them a handsome business. The Oregon Land, Loan and Building Society, composed of Henry Thompson, President; W. H. Creighton, Vice-President; and S. B. Riggin, Secretary—a new institution with $100,000 capital—got the Northern. Creighton is an old insurance expert, and Riggin is a hard rustler, whom we are especially pleased to welcome once more into our compact. Andrews & Co. (now composed of F. V. Andrews and the old-time English adjuster, B. N. Barnett) have got the Queen.

Oldendorff, Harvy & Co. have recently taken Mr. Monnaster into partnership. Being a son of one of our wealthy capitalists, their business will no doubt be materially increased. These same gentlemen have also been appointed general agents for Oregon, Washington and Idaho Territory of the Equitable Life Assurance Society, with Mr. May as manager.

All these new appointments will make competition keener than ever. What with bankers, capitalists and merchants in the business, I will formulate a new motto, viz., "It takes a smart man to renew a risk, and a smarter one still to secure a new risk."

NAOLS.

Paying the Agent a Contingent Commission.

Although underwriters are not so much interested in the fire waste as are the men who pay premiums, there may be a point where the interests of the insured and insurer will become identical in this respect. There is a limit to the rates which many property-owners will or can pay, and the advancing fire loss, if not speedily checked, must eventually require rates in excess of that limit on many classes of risks. Excessive rates are unwelcome to underwriters, because they reduce the aggregate premium income, instead of augmenting it. Many property-owners will undertake to carry their own risks rather than pay, or because they cannot afford to pay, the high rates necessarily demanded. Moreover, excessive rates are prejudicial to insurance interests because they increase the ratio of losses to premiums. The men who voluntarily dispense with insurance, rather than pay high rates, have, as a rule, the most desirable risks. Nevertheless, the companies are confronted with the disagreeable necessity of advancing rates generally if the fire waste is not reduced.

The conviction that there is greater profit in a diminished fire loss, lower rates and more business, is stimulating underwriters to take the initiative in measures designed to put some check upon the fire waste. It is the duty of the law-making powers to discover and apply some remedy, but as long as the more important duty of getting and distributing offices engrosses the time and talent of the law-makers, no legislative assistance can reasonably be expected. The prevailing local agency commission system is responsible for a large share of the fire loss. The system encourages over-insurance and the writing of bad risks. The agent is indifferent to the general result. Fires impress the community with the necessity of insurance, and bring him more business. Every risk, however bad, that he can pursuade a company to accept, represents just so much unconditional commission. His interests and his company's interests frequently conflict. The company wants paying business and a knowledge of the true hazard, but the unconditional commission it pays for business is an invitation to the agent to burden the company with a losing business and directly or indirectly misrepresent the risk he tenders for acceptance. In the vigorous language of Mr. Lee, the company bribes the agent with a commission to represent a bad risk as first-class. To sum up the matter briefly, the present system of compensating agents encourages the misrepresentation of risks, over-insurance and incendiarism, and the withholding of desirable information as to the moral hazard.

It is now seriously proposed that the companies take the agents into partnership by paying him a commission contingent on on the profits of the business he has secured. It is believed that such a system of compensation will diminish the fire loss by establishing between agent and company a common interest in the net results. The agent's income depending on the profits, it is expected that he will exercise all needful care in selecting and reporting risks, and consider the company's interest in considering his own. Would this agreeable anticipation be realized in practice? Would not the unconditional commission of 10 per cent. on an undesirable risk be more inviting than the contingent commission of 12½ per cent. of the profit? The old adage, a bird in the hand is worth two in the bush, would appeal to the agent's cupidity very eloquently.

The experience of one representative company, as reported, forces us to answer the foregoing questions in the negative. The Continental Fire Insurance Company has issued a circular on the subject of "straight" commission *versus* "contingent commission." A table is given based on the experience of the company from 1875 to 1884 inclusive. Under the proposition to pay a commission of 10 per cent. straight and 15 per cent. commission, the total commission would be as follows:

Agencies.			Commissions.
Losing nothing.....		.....22½	per cent.
" 10 to 25%	Average 20%	.....19.7	"
" 25 to 50%	" 40%	.....16¾	"
" 50 to 80%	" 70%	.....12½	"
" 80 to 100%		10	"
Average.....		18.14	"

As will be seen elsewhere, at a recent meeting of New York underwriters it was resolved to make it optional with companies to pay a flat commission not exceeding 15 per cent., or a flat commission not exceeding 10 per cent. and a contingent commission not exceeding 12½ per cent. The experiment ought to receive a fair trial. It may be easier to make the experiment, and probably more profitable, than to raise the rates to correspond with the additional fire waste.

Over-Insurance.

In the annual report of the Minnesota Insurance Department, the Commissioner, Mr. McGill, discusses at some length the important subject of over-insurance. There can be no doubt, he says, that much of the unfriendly legislation toward insurance companies is owing to this cause. In illustration, he cites this suppositious but very improbable case:

> A man who has paid premiums on a policy of $2,000 for a number of years, and after suffering a total loss of the property covered by it, receives but $1,000 as the amount due him, naturally enough feels that he has been wronged. Even though he has been more to blame than the company for the over-insurance, he nevertheless feels that he has been beaten by the company and is entitled to get even the first chance he gets.

The man who pays premiums on a $2,000 policy covering only $1,000 worth of property is either a dishonest man or a fool. The bare chance of realizing $1,000 profit by an accidental fire is far too slight to justify one payment of double premiums, as every man of common sense must know. The man who knowingly over-insures does so with incendiary motives. To say that such men are influential in legislation is to accuse the community of being a nest of fire bugs.

Over-insurance is only indirectly one of the various causes that incite hostile legislation. People who do not reflect that much of the over-insurance is unknown to the companies until the adjuster reports it, charge all the responsibility upon the companies, and clamor for a valued policy law to restrict the evil and throttle the greed that is supposed to promote it. Over-insurance is a great evil. It is responsible for most incendiary fires, which, unfortunately, are not confined to the over-insured property, but include much that is exposed. The remedy for the evil must be discovered and applied by underwriters, for the experience of those States in which a valued policy law is in force proves that the alleged legal remedy stimulates incendiarism. We quite agree with the Commissioner that over-insurance is perhaps the worst enemy with which fire insurance interests have to contend.

Increasing Litigiousness of Co-operatives.

Within the last year or two there has been a remarkable increase in the number of claims resisted by assessment insurance associations. This litigious disposition has not been confined to the meaner or smaller societies or associations, nor to those which make no pretence of charity. The court calendars include among the defendants the largest speculative co-operative schemes and the most widely known and popular fraternal societies. The explanation of this sudden and extraordinary increase of litigation is suggested by the nature of the defense in nine out of every ten cases. The defense is usually lame and technical to an absurd degree. The most reputable fraternal societies, everywhere, are refusing to pay claims that are unquestionably just, and appear in court with a sham defense that not only outrages the moral sense, but affronts common sense. The societies and other hat-passers are compelled to fight honest claims because they cannot pay them. The death rate is increasing too fast, and litigation is the desperate means necessarily relied on to limit assessments to a reasonable amount. Peter is swindled that Paul may be paid, that the association may survive, and that the managers may suck the co-operative teat a little longer.

A common pretext for the resistance of a claim, by the various orders, is that the subordinate lodge failed to levy an assessment. Manifestly, such failure was not the fault of the deceased member, but it is made to serve as an excuse for a heartless, cold-blooded repudiation of the claim of the defendant beneficiary. Could any corporation be more soulless than the order which fights a claim on such grounds?

This miserable plea can no longer be used with any hope of winning in the higher courts. One Agnew, a member of the Ancient Order of United Workmen, failed to pay an assessment which his subordinate lodge neglected to levy. His certificate maturing by death, the managers, or grand lodge moguls, refused to pay his widow. She sued and got judgment, it being in evidence that no assessment had been levied. The order appealed the case, and the St. Louis Court of Appeals affirmed the judgment. The resistance of that claim, under the circumstances, was an unblushing effort to defraud a widow of her just dues.

David Underwood, a member of the Iowa Legion of Honor, failed pay an assessment of which he was not duly notified by his subordinate lodge, which made no regular assessment that month. Subsequently he was taken sick, and a friend tendered the order all that was due from the sick member. The money was accepted and credited, and never afterwards returned, nor even offered to his family. Underwood died unexpectedly. Thereupon his charitable, brother-loving so-called Legion of Honor resorted to a dishonorable defense for the purpose of swindling his widow. Her claim was repudiated because her husband had not paid, through the regular channel, an assessment that had not been levied by his subordinate lodge. Underwood's death had revealed the fact that the acceptance of his dues from a friend was a mistake. Had he lived, it would not have been a mistake. Happily, if neither charity nor justice could be obtained by Underwood's widow by a direct appeal to the Legion of Honor, the courts were ready to force this pretended benevolent society to perform its contract of insurance. On April 24th the Supreme Court of Iowa decided that the order must pay.

Another case was that of a man who failed to formally name his beneficiary. The order continued to accept his dues and assessments, but when he died his benevolent society refused to pay his benefit to the party whom he had repeatedly declared to be the beneficiary of his choice. The letter of the law was on the side of the order. The court sustained its refusal to pay the estate, and excluded all parol testimony as to the beneficiary selected by the deceased.

Still another and less excusable instance of technical defense was that of a society which refused to pay the insurance money to the father of a deceased member, because he did not live in the United States. Some

by-law, purposely or otherwise, bore a construction justifying the refusal on such grounds, and the courts were obliged to sustain this unjust defense.

A very large percentage of the resisted claims probably never becomes a subject of litigation. The mere refusal to pay is sufficient to dissuade most claimants from giving the matter any further thought. A little reflection convinces them that a favorable verdict in any court must be, in most cases, a mere mockery. There are no tangible resources back of the hat, and an assessment, ordered by the court, may not yield enough to pay counsel fees. Usually, it is only the better class of co-operatives that are sued. The rapid increase in the number of actions brought against this "better class," and the character of the defense as illustrated in the cases given above, prove beyond cavil that the death rate of the more prudent, representative co-operatives is increasing, for only a disastrous mortality would urge the frequent employment of an unfair and manifestly insufficient technical defense in resisting honest claims.

Facilities for Fraud in Co-operative Societies.

Morrison, Grand Recorder and Medical Examiner of the Order of Chosen Friends, who has been on trial for defrauding the order of $6,000 or more, was found guilty and sentenced to ten years in the penitentiary at Folsom. Morrison registered dummies as members, paid their dues and assessments, "killed" them, and then drew their insurance money. Morrison was an old hand at the business of defrauding assessment societies. A man from Michigan recognized the prisoner as an old offender who had fled from that State, after stealing $16,000. Several years ago he over-insured a church and parsonage which were in his name. Both burned under circumstances so suspicious that he was accused of setting the property on fire. He was pastor of the church, and was financially involved. He was finally prohibited from preaching by his bishop. We recite these evidences of Morrison's bad notoriety and proved rascality, because they support us in the declaration frequently made that the machinery of the assessment societies presents extraordinary facilities for the advancement of brazen rogues and the success of their schemes of robbery. If a blatherskite with an unsavory record like Morrison can climb to one of the most responsible positions of a society in a community where he is known, what may reasonably be expected to prevent the elevation to similar places of scoundrels less well known? His conviction discloses the existence of an element of evil and danger not calculated on, which apparently cannot be avoided. Many adventurers prominently identified with fraternal and business assessment associations are doubtless practicing the same game for which Morrison now sees barred daylight. Occasionally their greed or indiscretion precipitates a crisis by an accumulation of assessments, and the society dies a little sooner than it otherwise would. This was the case with the Safety Fund Association of San Francisco.

Convention of Fire Insurance Companies in New York—The Commission Problem.

On the 11th and 12th of June, the fire underwriters of New York city held a special convention for the consideration of the commission question—that Old Man of the Sea which our Sindbad must finally dispose of. The meeting was large and representative. The attendance and the earnestness exhibited were hopeful indications. The issue of the two days' discussion was the following pointed resolutions:

Resolved, That it is not expedient at this time to legislate for any portion of the territory under the jurisdiction of the Western Union or the Pacific Union.

Resolved, That it shall be optional with companies to compensate agents either by a flat commission not exceeding 15 per cent, or by a flat commission not exceeding 10 per cent. and a contingent commission not exceeding 12½ per cent. on the profits of the agency, the same to be computed on the actual receipts of the agency for the year, deducting the losses and the expenses incurred at such agency, including State and local taxation.

Resolved, That no compensation other than the foregoing, either in the form of office rent, clerk hire, solicitors' fees or salary, or in other ways, di-

rectly or indirectly, shall be paid to any agent or broker.

Resolved, That, instead of any agency, any company or number of companies may establish a branch office in any city, and compensate its Manager by a fixed annual salary, in which case the Manager shall be subject to the foregoing rules in regard to brokerage, and no allowance shall be made to such Manager for any solicitor whom he may employ.

Resolved, That no company shall place its agency or allow it to remain in the hands of any agent receiving compensation in excess of the foregoing provisions.

Resolved, That no company member of this convention shall change its commissions at any agency, or make any change in the mode of compensation, without giving notice in writing of its intention so to do, at least sixty days in advance, to all its associates.

Resolved, That these resolutions shall be binding when signed by 120 companies, and the companies signing them do hereby pledge their honor to the observance of the same.

The following resolutions were adopted as the sense of the convention, and recommended to a committee of fifteen for consideration, with power to incorporate the same with the compact:

Resolved, That, in the opinion of this convention, no brokerage should be paid by any company or agent in excess of 10 per cent. on premiums.

Resolved, That in cities where the brokerage system now prevails, any company may make to its agent an allowance of 5 per cent. (in addition to the commission of 15 per cent., or 10 and 12½ per cent. contingent) on such risks as are placed with him by brokers, and on which he is compelled to pay 10 per cent. brokerage.

Invariably the Case.

Says the Springfield (Mass.) *Republican*, which is not an insurance journal: A stone thrown into the air will not more certainly come back to the earth, in obedience to mathematical law, than the co-operative insurance company, insuring men of different ages at a uniform rate, will run this course, to wit: it will expand swiftly, members will join in great numbers, because at first deaths will be few and assessments seldom; but in from five to ten years the "boom" is over, the older members begin to die, assessments thicken, men hesitate about joining; present members, especially the younger ones, begin to demand a reserve fund; the number of insured is already so great that a proper reserve would rise into the millions, new men cease to join, the membership begins to decline; each assessment being upon a smaller number, produces a smaller result, and once started down hill, it drops with increasing velocity, until it reaches the end, which the United Foresters have reached. In the meantime the old men and poor risks have died and had their losses paid by the young men and the good risks. But these young men and good risks have been growing older and have passed the period when they might have insured on favorable terms in well established companies whose solvency depends not on the number insured, but on the reserve held to pay each man's policy at maturity. These men in other words have insured other men, but not themselves, and now in the common but expressive parlance "get left."

Making the Agent a Partner.

There is no business in which so much depends upon the skill and care of the agent who transacts it, as that of fire insurance. Insurance is a contract which deals with a continuous hazard for periods extending to five years, and sometimes even longer. There are unavoidable hazards arising from the use of insurable property, varying from a quiet dwelling house to mills and manufactories of manifold more dangerous character. These various properties are by no means, even when of the same name, of the same hazard. Difference of construction, proximity to other and greater hazards, internal carelessness—all affect the real hazard, and consequently the real cost to the companies of insuring the risks covered by their policies. There often exists also, an important moral element, a hazard of the subtlest and most dangerous kind, and one that causes a large number of fires.

An insuraance agent needs not only to have all of the general information the company he represents can give him, but needs also to have his wits constantly alert to discover the dangers connected with what he insures which are susceptible of correction, that they may be removed or amend-

ed, and needs to search especially for moral hazards. He should be subject to no pangs and no loss when rejecting risks which the parties asking insurance will not amend when amendment is easy, and should find only pleasure and profit in refusing to insure anything which has a moral danger attending it. The average agent will not do this unless he is paid for it, and this is exactly what the insurance companies neglect to do. In substance they ask only for so much premium, and upon the amount they accept; whether good, bad or indifferent, they pay the same commission for each. The agent has no other inducement than that which prompts men generally to do right rather than wrong if it costs no more to do the right. The companies make it expensive for the agent to do right. It seems strange that for so many years insurance companies have persistently paid agents for business simply, and not for paying business. When the officers of these institutions come to an acquaintance with their full duty to themselves, they will employ agents to make money for them, rather than for obtaining premiums only. When the pay of agents is made to depend materially upon the profits of the business they do, their consciences and their interests will be on the same side, instead of being as now in opposition to each other. It will be much more seldom that a building which cost but $1,500 to erect, will be insured for $2,000, seldom that a building once worth $2,000, but dilapidated or unsalable, will be insured for more than one-half of its original cost.—*Minnesota Insurance Commissioner McGill.*

Rescued from Oblivion.

Every successful fraud, every loss through neglect or through carelessness, as well as every unavoidable insured loss, comes in to swell the premium each insured person has to pay. The people do all the paying. The juryman who weakens in favor of the culprit, decides against the public instead of against the insurance company. Measures for the reduction of the fire waste really concern the public more than they do the insurance companies.—*N. H. Insurance Report.*

HE COULDN'T RESIST THE TEMPTATION.

To sketch the growth of life insurance in the United States for the last quarter of a century is to tell a remarkable but oft-told tale. And it asks some virtue in an insurance official accustomed to scan it, to resist the temptation to dwell admiringly on the familiar facts. It is not the vast increase in the business within that period—fifteen fold or more—while our national life has borne the tremendous burdens of a great internal war and deplorable social and commercial disorders, which most compels the admiration of the thoughtful. But, principally, we regard its triumph in the elimination of faults in plan and procedure, the establishment of justice in the administration of the system, the scientific ascertainment and intelligent application of sound essential principles, until the capable student and sagacious man of business *knows* that life insurance has a basis as sure as the foundations of our social fabric. —*Ins. Commissioner Tarbox.*

DO NOT LAUGH AND GROW TOO FAT.

Of the 155 who died from heart disease, 21 per cent. were overweights. Of the 59 from apoplexy, 23 per cent., and of the 103 dying from kindey diseases, 24 per cent. were overweights; while of the 208 dying of consumption, there were but three overweights and 7 underweights; there were no underweights in all the cases dying from heart, brain or kidney disease.—*Medical Report of Union Mutual Life Ins. Co.*

BUT THEY WON'T BUY UNLESS ASKED.

While the comparison of cost sometimes made between life insurance and assessment insurance, to show the superior cheapness of the latter, is unjust and deceptive, since it does not credit the reserve nor dividends to policyholders, nor distinguish the quality of the insurance; yet, I am convinced, a material reduction in the expense cost of life insurance can be accomplished by a reform in its business methods and expensive features. A person who wants insurance, life or fire, or other, should be

able to buy it at first cost without paying tribute of profits to middlemen.—*Tarbox.*

THEIR INTERESTS ARE IDENTICAL.

The time ought to be not far away when policyholders and companies issuing policies come to the conclusion that their interests are identical, and that all efforts of all honest parties should be made to reduce fire losses; to enable companies to insure at lower rates, and yet to get such proper pay for their guarantees, as to justify all of them in fulfilling all contracts with honest losers in the manly way in which the companies generally now fulfill them, and in making insurance cheaper to propertyholders.—*Commissioner McGill.*

DEBILITATING INFLUENCE OF CONSUMPTIVE TENDENCIES.

In all, 67 of those dying of consumption, were in some way predisposed to it, *i. e.*, 32 per cent. But a much larger number, viz: 225 were predisposed to this disease, most of whom died from other troubles. This may be studied from two standpoints. If viewed in one way, it might lead to the opinion that when so small a part of all predisposed to it died of consumption, this matter of heredity must be of less importance than insurance companies are now giving it; while if viewed in what is undoubtedly its right, it tells us that its naturally debilitating tendency, not only predisposes to death by consumption, but also to premature death from other diseases.—*Medical Report of Union Mutual Life Ins. Co.*

LIMITATION OF INVESTMENTS.

Bad investment is the responsible cause of most life company failures which have dishonored the history of the business. And the danger therefrom will exist while unlimited discretion is left to financial agents who may be honest but injudicious, or who may be dupes or accomplices of ambitious speculation and unscrupulous intrigue. Safety lies in the removal of temptation and opportunity by legal limitation of the power of investment.—*Tarbox.*

A SORT OF FOSTER FATHER.

No insurance officer has discharged all of his duty when he has cared for his company only; he is bound to care for his policyholders also, not only in so far as paying all honest losses to the extent of the indemnification promised is concerned, but also in so conducting his business as to make fires fewer instead of more, and becoming thereby able to make a proper profit for his company while he is also able to insure at a lower rate of premium. — *Com. McGill.*

QUEER GAMBLING.

When George the Third was king, there arose a reprehensible habit of opening assurances on the lives of popular and well-known individuals. At that time assurances took other and eccentric forms. There were then "little goes" and "insurance wagers." Then any public event would do as the fulcrum for a venture. Wilkes in the Tower, Lord North in disgrace with the people, were alike good subjects to be entered in brokers' books. The seals of a Prime Minister's office, the life of a highwayman, or the chances of success or disaster in war, all served for the purpose of policymongers. It is on record that large sums were paid by the sober and calculating underwriters of Lloyd's who speculated on the adventure of a young fellow who had undertaken for a wager to go to Lapland within a given time, to bring back two reindeer and two Lapland women —and did it. These are humiliating testimonies to the eccentricities and follies of the gambling spirit.—*From an Unknown but Esteemed Contemporary.*

RIGHT ABOUT.

Most intelligent women carry on a blind war with life insurance. They dislike to have anybody think of the future; their sensitiveness revolts against the foresight of good husbands and loving fathers. I have heard of one as good as she was pretty, who cried out with an almost comical indignation—"But you are selfish since you wish to die before me!" No, madam, no man wishes to die; but every intelligent creature knows that he will die sooner or later. Your husband should precede you according to the natural order. The day on which he received you from your parents' hands, he

agreed to protect you and aid you through life—not only all his life, but all yours. Every child born in your union is also by nature dependent upon him. He owes to you, to his sons, to his daughters, that instrument of work, that consolation of repose, that indispensable element of life which we call capital. Permit him to pay this debt, which is at least as sacred as all other debts; and even though you may have resolved to die like the wife in India, upon the funeral pile of your husband, remember that children are made to survive their father. And the father, in view of his plunge into eternity, can scarcely carry with him a sweeter souvenir than the blessing of his children. —*Edmund About.*

FIRE THE BROKERS OUT.

A conspicuous and principal grievance is the payment of fifteen per cent. and more of the whole cost of fire insurance in tribute to the brokerage despotism—a tyranny and abuse the public should break and abolish if the companies cannot, or dare not, or will not. This is not difficult if entered upon with resolution. Let the companies, or some of them, refuse to employ brokers or pay brokers' commissions, deal directly with the public, and reduce their charges for insurance by the amount saved on brokerage, and it is done. If any company shall incur private hostility by such a policy, the popular favor will amply indemnify it for any injury such malice can inflict.—*Tarbox.*

GOOD WORK OF AN UNDERWRITERS' ASSOCIATION.

Ignorant and malicious people have charged this organization with being a monopoly for the purpose of extortion. Instead of this, it is entitled to the support of all intelligent citizens, for it induces such reforms in building and protection against fire as preserve the material wealth of this country from destruction. Its wise system of schedule rating, instead of being abused by the unthinking, should be encouraged by every municipality; for it offers such reward for safe construction as to induce a class of buildings which are a permanent ornament to the cities in which they are located. Compare the cotton compresses and warehouses of to-day in Atlanta, Charleston, Augusta and Savannah with those of three years ago, and you will find one result of your work, which will outlive your association. — *President Southeastern Tariff Association.*

WOODEN HEARTHS.

Laws should be made to specify minute things, for the safety of a building depends on very small matters. Flues and hearths may appear insignificant amid great subjects treated in legal codes. But when life and much property depend on their right construction, they are seen to be worthy of a prominent place in the laws. An English writer says that the percentage of fires in dwelling house property in Glasgow is three times greater than in London. The difference is easily accounted for. The Metropolitan Building Act requires that hearths shall be solid for a thickness of seven inches at least, beneath their surface; while in the Scottish city there are no regulations as to hearths, and the practice is to lay them on the bare wood.—*Insurance Critic.*

OH, MY!

In the United States fidelity insurance is undertaken by several companies, but owing to the premiums being high, the business is very much smaller in proportion to population than in England. The high rates of premium are caused, we feel bound to state, by the generally low scale of morality in the country; the large number of adventurers of foreign origin, who seek employment in banks and commercial houses; the absence of extradition treaties between State and State, and the facility with which a delinquent can avoid pursuit by crossing the frontier. It is also necessary to note this singularity, that in the United States the greatest number of acts of dishonesty are committed, not by mere employés, but by public officers, with whom such a thing as asking for security has never been dreamt of.—*Moniteur des Assurances.*

The jury in the Hillman case, tried at Leavenworth last month, failed to agree. Mention was made of the case in the COAST REVIEW last month.

An Oregon Humbug—The State Insurance Company of Salem.

ALBANY, OR., June 30, 1885.

EDITOR COAST REVIEW—As an example of monumental cheek, the card of the State Insurance Company of Salem, Oregon, issued under date of June 1, 1885, is without a parallel, and is entitled to take the cake, and the girl behind the counter.

It is well enough, perhaps, to state that when the idea of establishing an insurance company in Salem was first suggested, it was looked upon with favor by many of the local capitalists of that place, and they freely subscribed for its stock, and intended to stay with it and to insure its permanency by organizing it upon business principles, by paying in, in cash, the amount of stock subscribed and by bringing into its management brains and ability to successfully run it. With this understanding, Messrs. Ladd and Bush, the bankers of that city, as well as other responsible parties, were induced to give the project financial standing and respectability, subscribe for its stock and enter heartily into its plans. When, however, it became evident to the gentlemen named that they were lending their moral and financial support to a shameless

FRAUD AND A MYTH,

they immediately withdrew all connection with the projected company and were followed by other responsible subscribers until there was nothing left of *that* barrel but the bung-hole. A new deal was ordered, resulting in the formation of what is now advertised as the State Insurance Company.

It is really a difficult matter to get at, or to see the foundation upon which this insurance company is built. Its articles of incorporation, filed on the 24th day of February, 1884, say its capital stock shall be $100,000, divided into 1,000 shares of $100 each: and it further says that a number of the stockholders shall be elected as a board of directors, who shall, as it were, control its destinies and engineer the thing generally. It is noticeable, however, that the name of but one of its officers appears as signed to the articles of incorporation. The nominal capital of $100,000 may be considered the result of extreme modesty on the part of the scribe who wrote the articles of incorporation, when the figures $100,000,000 could just as easily have been inserted. As this is the only example of that virtue appearing in any of the performances of this self-dubbed insurance company we make a note of it, and the credit is hereby given.

HAS IT ANY CAPITAL?

The capital of $100,000 referred to has not and never has had any existence. The officers of the company claim only that fifty thousand dollars of the capital stock has ever been subscribed. And such subscribers! The assessment roll of Marion county, in which is situated the principal office of this company, shows that the wealthiest of these stockholders pays a tax, or is assessed, on a total valuation of property to the amount of $6,480; then in a descending scale, $6,100, $4,000, $1,540, $1,260, and this ends the list, except insignificant sums here and there, not worthy of mention. Indeed, the names of two of the principal officers of the company do not appear on the assessment roll at all, and the company itself pays a tax on less than $7,000 for city purposes for the year 1885, and nothing whatever for county or State purposes for 1884. Yet its income from premiums alone for the month of May, 1855, amounted to $10,522.85, according to the card I have received. It is evident that some one has lied.

On the $50,000 subscribed capital, an assessment has been levied of 15 per cent., and, granting its payment, the sum of

$7,500 HAS BEEN PAID IN;

but even this pittance is of doubtful existence, as it is alleged it was paid in by the several subscribers giving their notes for the amount of the assessment. In reality, not a dollar of money was necessary to start this swindling concern, and it is a State disgrace that such a thing as its establishment could be permitted under the laws of Oregon, or rather for want of any law governing domestic corporations.

H. W. Cottle, who is secretary of the institution, is the same itinerant who started the Washington Insurance Company at Ta-

coma, Washington Territory, which died not long since, leaving to its policyholders a worthless policy and a poorly executed chromo of Mount Tacoma, with the mud flats of Puyallup in the foreground.

If the insuring public were aware of the actual status of the State Insurance Company of course they would give it a wide berth; but its managers are adroit advertisers, and its statements, as published, are unchallenged, because no one cares to bother with it, or even to look at the peculiar method of figuring employed. The confiding granger is told by its agents, in addition to the matters set forth in circulars and advertisements, that the company has a paid-up capital of $100,000, that it has $50,000 deposited with the State Treasurer at Salem—the last assertion being just as true as the former, and both being pure fictions.

BAD RISKS.

The peculiar method of doing business employed by this company justifies it in paying to its agents commissions ranging from 20 per cent. upward, and the risks assumed in the great majority of cases are of the very worst character; but all is satisfactory to the company if the assured pays enough "money down" to pay the agent his commission, the company usually receiving notes for two of the deferred payments; or, in other words, two-thirds of the premiums, the soliciting agent thus receiving for his services about all the money paid in. This may not be true in *every* instance, but it certainly is true in a great majority of cases. and that it is true at all is sufficient to damn the company in the mind of any thinking man who desires to *insure* his property.

It is useless to inquire into the actual value of these notes. They are picked up in all parts of Oregon, Washington, Idaho and Montana Territories. The agents are equally irresponsible with the company, the only questions being, How much can we get this man to insure for? How much of the premium will be in money? If the man has no money,

HIS NOTE IS TAKEN,

and it may be safe to assume that two-thirds of these notes, which are paraded as "premiums received," are absolutely worthless. The actual value of the property insured cuts no figure whatever. Neither does the "moral hazard" question trouble the solicitor, who, having an eye single to his commissions, glides through the rural districts and "ropes in" the farmers, who contribute to a concern which in return has nothing to give and gives nothing—surely no indemnity.

It is hinted that this company has already paid a few losses. Standing advertisements in the country newspapers tell us of the promptness with which a loss has been settled for Mr. A or Mr. B, and certificates stating the adjustment and settlement to be satisfactory to the assured published in connection therewith. The receipts which this company require from the man to whom the loss is paid embody in them, in the smallest imaginable type,

A READY-MADE PUFF

for the company, which must accompany each payment of loss, *nolens volens*. But really the person signing the receipt knows nothing whatever of such puff, but in his desperation he is willing to sign anything to get his money or any portion of it.

It might be said in conclusion that this thing styling itself the State Insurance Company will be short lived. It had no foundation whatever to begin on. Its methods are entirely at variance with business principles, much less principles governing sound and responsible insurance companies taught such companies by practical experience of long years of practical underwriting. It should be looked after at the next session of the Legislature, and a law enacted compelling domestic insurance companies doing business under its provisions to have something to do insurance business with besides a designation, an extended shingle and an up-stairs office.

X. POSE.

New York city has a Street Railway Ins. Co., a mutual authorized by a special charter. In referring to this enterprise our exchanges "kick" as though the rates had been profitably exhorbitant, as alleged by the street-car companies.

Fire Prevention—Surveys.

We take the following from the *Finance Chronicle* of London. Referring to friction in machinery, the writer expresses the opinion that the general adoption of automatic lubricators will reduce the loss one-half in cotton and flour mills. These ingenious devices are common in this country, but it would be well for underwriters to encourage their adoption generally. Our contemporary says:

In fire protection, as in some other matters, the faith of to-day may become the fallacy of to-morrow. Iron columns and iron girders (notably cast ones), adopted by architects as theoretically forming fireproof-constructed buildings, have in practical use proved no greater resistant to the spread of fire in fierce conflagrations than the older wooden supports and beams or joists. As to monetary or profit and loss experience by fire offices with cotton mills, statistical enquiry has proved that the *pro rata* incidence of loss to premium has been greater in fireproof or modern mills than in the non-fireproof or older mills, where wood instead of iron was used, although this fact in itself does not conclusively prove that the result is solely due to the varying materials used in the structures. A fireproof mill carries a lower rate, and even if the greater velocity of the machinery did not contribute by friction to the "frequency hazard" in greater degree; there is still another point to be noted as a factor, namely, the greater exposure through larger room area to a fire when it did occur. This exposure or "combustibility hazard" might be found greater *pro rata* in the premium collected for the larger risk than for the smaller or older one. Again, illustrations of the relative merits of wood *v.* iron may be found where separate risks are created out of one by double iron doors. Iron doors are now condemned as "cut-offs"; in case of fire they curl up like paper in fierce heat. This fact the writer has repeatedly observed in buildings subsequent to a fierce fire. Wooden doors protected by tin have proved to be more effective, and are now generally recommended instead of the architects' "fireproof iron doors."

Another of the greatest incendiaries whose existence has been practically ignored or overlooked, is gaslights fixed in places apparently calculated by their close proximity to combustible materials to originate a fire at some time or other. Taking statistical experience for a guide in respect to a gaslight fixed alongside a window in close proximity to the blinds or curtains, or fixed anywhere within twelve inches or so of light fabrics, a fire may be predicted, the certainty of which occurrence becomes only a question of time. In many cases where the stereotyped cause of "—— blown on to gas" appears in the loss book, it might at times be more truly expressed "—— attracted to gaslight by the air current created by combustion." We may, on second thoughts, be wrong in supposing that some inspectors of risks do not take into consideration the positions where the lights are fixed; it may be the constantly recurring "Goods, etc., in contact," as the origin of fire may be owing to ignorance of or the miscalculation as to the action of heat or combustion in creating air currents sufficiently active to attract light textile goods a greater distance than is generally supposed possible by such means. A few scientific facts, a little more knowledge of the chemistry of combustion and cognate matter, might probably assist surveyors in elucidating gaslight hazards. Our gas engineers if consulted could also furnish useful instruction, particularly as to improved methods of gasfittings in various risks. Greater attention or closer study, in fact, of the hazard from gas, one of our most dangerous incendiaries, is very desirable. It will always be with us, chiefly from its cheapness as an illuminator. On the point of economy the adoption of electric lighting will, in this country at least, be too slow to give much trouble to insurance surveyors for a long time to come.

The most insidious incendiary of all, that of "defective flues and hearths," is, when once created, the one that requires the greatest ingenuity to baffle or detect. Attention at least ought to be given to prevent its introduction in new buildings; to eliminate it from old buildings is now a practical impossibility, owing to the cost in-

volved. Mansion after mansion has gone down yearly from this defect; treasures that no money can replace have been destroyed through imperfectly constructed fireplaces and flues in these risks. Considering the nature of the property at stake it would pay owners to spend money in detecting and remedying the too common existing defects, for the reason that, when once destroyed, insurance offices cannot replace these treasures. There are some few men who, by sounding with a hammer, can tell if wood has been carried into flues; but they are not, we think, to be found in the ranks of insurance men, and it is doubtful if the art is one that can be readily learned.

We may observe in concluding that inspecting risks with the idea of obtaining, by suggesting alterations, greater protection from fire hazards requires more general technical knowledge, skill, and powers of observation than can be expected from the untrained youths and tyros who are sent out sometimes to report on risks. This of itself is a consideration which in many cases has added to, if not the fire hazard, at least to the fire loss, perhaps as much as any of the causes above referred to.

The Assessment Soul Tried by Time.

At the beginning of 1882 there were in more or less active operation in the State of Ohio 121 companies or associations pretending to supply life insurance on the assessment plan. Since that time 31 new ones have been started in the same State. Of the whole number (152) only 21 still breathed the breath of life on the first day of this present year. It is only fair to say that many of the 131 decedents lived but a year or two and died, not so much because of the inherent weakness of the assessment plan as by other causes the nature of which it is not material to our present purpose to inquire into. Of the 21 now existing companies but 12 were organized prior to 1880, and of these twelve all but four are visibly dying, having lost last year above all accessions percentages of their respective memberships as follows: Citizens' Mutual Relief, of Wellington, .40; Home Mutual Aid, Zanesville, .16; Jelloway Mutual Aid, Jelloway, .32; Mahoning Valley Mutual Relief, Youngstown, .07; Ohio Mutual Aid, Mt. Vernon, .10; Ohio Mutual Relief, Cincinnati, .47; Steuben Mutual Protective, Steubenville, .05; Western Mutual Protection and Relief, Bellefontaine, .33. One company, the Cincinnati Mutual Life, was unable to make a detailed report on account of a fire on its premises which burned its papers. Three companies, and three only, of the twelve organized prior to 1880, show gains, as follows: Knights Templar and Masonic Mutual Aid, Cincinnati, .03; People's Mutual Benefit, Westerville, .07; Young Men's Life, Cincinnati, .10. Of the three gainers the oldest is less than eight years of age, while another is a distinctively masonic organization, relying upon a strong fraternal bond to hold it together. Here, then, pause and note this fact—a fact full of significance and warning to all who are trusting or are asked to trust the assessment promise of life insurance—that in the State of Ohio, where for full twenty years the assessment plan has been in operation and where hundreds of companies, pretending to insure thousands upon thousands of lives for millions upon millions of dollars, have been born and sought to live in defiance of the fundamental principles of life insurance, not one to-day that is more than eight years old presents even the semblance of prosperity. Making all possible allowance for dishonesty and incompetency in management as having brought the co-operative experiment in many cases to grief, there nevertheless remains an appalling record of failure which can only be accounted for on the hypothesis that the assessment system, however well administered, is in and of itself a blunder and cannot permanently yield life insurance. Now look at the three still surviving companies whose nativity antedates 1877. Ranking them by age, these are the Ohio Mutual Relief, of Cincinnati, born in 1872; the Western Mutual Protection and Relief, of Bellefontaine, born in 1873; and the Citizens' Mutual Relief, of Wellington, born in 1874. At the beginning of 1884 number one had 1,829 members, and at the end of it 961. Its deaths numbered 94 and

STATEMENT OF THE CONDITION AND AFFAIRS

—OF THE—

National Assurance Co.

OF IRELAND,

On the 31st Day of December, A. D. 1884.

CAPITAL.

Amount of Capital Stock Authorized,	$10,000,000
Amount of Capital Stock Subscribed,	5,000,000
Amount of Capital Stock Paid up,	500,000

ASSETS.

Real Estate owned by Company,	$207,516
Loans on Bond and Mortgage,	1,014,672
Cash market value of all Stocks and Bonds owned by Company,	1,396,558
Amount of Loans secured by pledge of Bonds, Stocks, and other Marketable Securities, as Collateral,	246,074
Cash in Company's Office,	432
Cash in Banks,	14,546
Interest due and accrued on all Stocks and Loans,	11,650
Interest due and accrued on Bonds and Mortgages,	26,821
Premiums in due course of collection,	139,858
TOTAL ASSETS,	$3,058,127

LIABILITIES.

Losses in process of Adjustment or in Suspense,	$35,500
Gross Premiums on Fire Risks, running one year or less, $820,720; re-insurance, fifty per cent.,	410,360
Gross Premiums on Fire Risks, running more than one year, $9,420; re-insurance, pro rata,	7,602
Liability under Life Department,	1,510,640
Cash Dividends remaining unpaid,	10,913
All other Demands against the Company,	150,439
TOTAL LIABILITIES,	$2,125,454

INCOME.

Net Cash actually received for Fire Premiums,	$799,835
Received for Interest on Bonds and Mortgages,	
Received for Interest and Dividends on Bonds, Stocks, Loans, and from all other sources,	35,025
TOTAL INCOME,	$834,860

EXPENDITURES.

Net Amount paid for Fire Losses, (including $86,965, losses of previous year)	$504,030
Dividends to Stockholders,	69,333
Paid or allowed for Commission or Brokerage,	160,315
Paid for Salaries, Fees, and other charges for Officers, Clerks, etc., and all other Payments and Expenditures,	59,950
TOTAL EXPENDITURES,	$793,628

Losses incurred during the year—Fire, $452,565

H. M. NEWHALL & CO.,

General Agents for Pacific Coast,

GEO. MEL, Manager,

Office, 309 Sansome St., - San Francisco.

the desertions 904. Number two began the year with 1,271 members, lost 23 by death and 522 by lapse, and closed the year with a persisting remnant of 852. Number three started in with 6,215 members, gathered 293 new ones, and lost 71 by death, and 1,917 by disgust. The death rate of number one (the oldest) was no less than 70 in the thousand, while its average payment to beneficiaries was 26 per cent. of the apparent policy promise. The death rate of number two was 22 in the thousand, and its percentage of performance to programme was 31. Number three's death rate was 15 in the thousand, and it paid its death claims in full. Thus it is seen, in accordance with the natural law of the assessment plan, that in the oldest the demand for death money is heaviest and the answer thereto is least. The three of them, taken together, lost one-third of their aggregate membership last year and experienced a death rate of 24 in the thousand. Why are these three companies visibly struck with death? Simply because they are old. And yet the oldest of them has but just entered on its fourteenth year! What sense is there in offering a system, which, practically tested by the record itself has made, gives such results, and asking its acceptance at the hands of rational humanity as able in any degree to serve the life insurance purpose?—*Insurance.*

National Assurance Company of Ireland.

This old Irish company is of great renown in Dublin town, but it has only recently developed an ambition to extend its business and reputation abroad. A year or two ago it made a successful "descent" upon Canada, and recently established an agency in San Francisco. The National enters the lists with such prestige as attaches to "antiquity," having been organized in 1822, but, better far, it has a handsome net surplus in the sum of $432,673.

We present elsewhere a statement in detail of the resources of the company on the 1st of January last, and of the business transacted during 1884. The gross fire assets are $1,489,160, of which the cash capital is $500,000. The statement of assets and liabilities includes the life department figures, but we are not dealing with them in this article. The liabilities, excluding capital, are $556,487, leaving a surplus, as regards policyholders, of $932,673. The premium income last year was $799,835, a substantial gain of $184,855. The loss ratio shows a decrease, as well. So far, therefore, the invasion of the new world has been a profitable venture.

In this field, where the National of Ireland is represented by H. M. Newhall & Co., with Geo. Mel as manager, befitting progress has been made in the year or less since the arrival of the company. A promising premium income and moderate losses are flattering testimony to the wisdom of Secretary Engelbach's appointments.

A Shady Enterprise.

We print elsewhere an interesting communication from Oregon in relation to the State Insurance Company of Salem. The writer thoroughly exposes the weakness of this alleged insurance company, and the devious ways by which it was organized and palmed upon an unsuspecting public as a legitimate and responsible enterprise. To those who know anything of the record of the original projector of this Salem company, H. W. Cottle, its present Secretary and the founder of the Washington Mutual of New Tacoma, the revelations in the communication are not surprising. The COAST REVIEW has warned the people of the northwest that the State Insurance Company of Salem was not a legitimate business enterprise, its methods being contrary to all safe principles of business, and the alleged capital being a doubtful quantity which the managers never proved to have any real existence. Our correspondent presents cumulative evidence showing that this pretended capital, which was to give such security to the policies of the company, is simply a capital idea, having no existence outside of the minds of the directors. The wealthiest stockholder, according to the assessment roll of Marion county, pays a tax on only $6,480 worth of property. Others pay on less than a $1,000, and two

of theprincipal officers are not named in the assessment roll. The company itself pays a tax on less than $7,000 for city purposes for 1885, and none for State and county purposes.

The hap-hazard, devil-may-care style of business transacted by this irresponsible concern is exhibited in the acceptance of premium notes indiscriminately, as long as the granger pays enough cash for the agent and a "divy" to the home office. The premium receipts include these worthless notes, but they make the figures respectably large and give a fictitious appearance of prosperity that deceives many inexperienced persons. The managers have hit upon a decidedly novel plan of manufacturing testimonials. When a man is paid anything for a loss incurred he is obliged to sign a receipt containing in very small type an expression of his gratitude to the company. Perhaps if the claimant sees this printed compliment he is really grateful for getting any portion of his claim.

The COAST REVIEW predicted the early death of the Washington Fire Ins. Co. of New Tacoma, W. T., and the prediction was verified. The prediction of the speedy end of the State Ins. Co. is an equally safe venture in the line of prophecy, for no company conducted as it is, with little or much capital, can long survive under the most favorable loss experience possible.

Foreign Notes.

Of 2,440 fires in Paris last year, 1671 were attributed to foul chimneys.

The Health Association of London has begun business. Frank Livesay is the managing director.

The *Australian Insurance Record* says the Fire Insurance Association of London will retire from the Melbourne field.

The average loss ratio of fifteen representative French marine companies last year, was only 63 per cent., "as against" 79 per cent. in 1883.

Investigations show that the conflagration which occurred on May 20th, in Toyama, Japan, was of exceptional magnitude, no less than 5,917 houses having been destroyed.

London has only 283 electric "call points," or fire-alarm boxes. Heretofore, there has been a system of paying for calls at engine stations, the fleetest runner bringing the news being paid a small reward. The authorities have resolved to abolish this little fee, there now being so many electric "calls."

A rogue played a sharp trick on a village doctor in England. He had been very ill, but recovered. Getting shaved, and otherwise altering his appearance, he visited the doctor and introduced himself as the brother of his whilom patient, whose death he sadly announced. Medicus believed him, and certified to the death of his "brother." Thereupon the rascal registered his own death, drew the burial money from his lodge, and decamped.

Dickens has been much criticized for his apparent acceptance of the fact of spontaneous combustion, but Sir W. Gull lately testified to a suprising case before the committee of the House of Lords on intemperance. A large, bloated man, who was suffering from difficulty of breathing and great distention of the venous system, died at Guy's hospital. At the post mortem the following day there was no sign of decomposition, and the body was believed to be distended with gas. "When punctures were made into the skin," said Sir William, "and a lighted match applied, the gas which escaped burned with the ordinary flame of carburetted hydrogen. As many as a dozen of these small flames were burning at the same time."—*Exchange.*

Professor Bauschinger, of Munich, recently made a long series of actual trials with pillars of both cast and wrought iron. He loaded them with the weights that they are usually allowed to bear in buildings, and heated them first to 300 deg. cent., then to 600 deg. cent., and finally to a red heat, and let a stream of cold water play on them, exactly as would be the case in a fire being extinguished by fire engines. The cast-iron pillars were much damaged and cracked by this treatment, but continued to carry their

loads quite safely, while those of wrought-iron were much bent before redness was reached, and so twisted when cold water was squirted on to them that they could not carry their loads. The conclusion is that cast-iron is really far safer for building than wrought. Pillars of other materials were also experimented with, viz., natural stone, brick, and concrete. The latter stood the test best, resisting a fire of three hours' duration. Also pillars of ordinary brick stood very well, but granite, sandstone, and other natural stones did not show as much resistance.

A Double Assessment.

The Mutual Reserve Fund Life Association, of New York, is already beginning to feel that increase of the mortality rate which no assessment life insurance association can long avoid. Recently, the Mutual Reserve Fund Life levied a double assessment, and in a circular to members endeavored to convey the impression that the increased death rate was owing to a heavy mortality prevailing throughout the continent, and not owing to that inherent defect of plan which has carried so many co-operatives to that bourne whence no co-operatives return. The explanation may be accepted by those who will believe without evidence that there has been a heavy mortality lately, but this double assessment is a serious blow at the prosperity of this brassy co-operative. Every thoughtful member will suspect that the predictions of old-liners are to be verified in this case, as in many similar ones, and will hesitate before paying the "double header." Timid members will take alarm, and perhaps spread a panic. This double assessment is doubtless the beginning of the end. There has been no unusual mortality among members of the regular life insurance companies, nor, indeed, any unusual mortality "throughout the continent." The Mutual Reserve Fund Life Association will find the increased death rate an unavoidable feature of co-operative life insurance. No amount of advertising, no amount of bluster, no possible growth, can always hold at bay that grim specter of mortality which ultimately takes every co-operative in its fatal grasp. The Mutual Reserve Fund Life Association is growing old.

The Old-Line Companies Not Litigious—Gross Misrepresentions by a Newspaper.

In the *Chronicle* of San Francisco, of date June 25th, there appears an editorial entitled the "Preller Case," in which the writer employs the grossest misrepresentations in discussing the subject of life insurance. A very large number of insurance companies, he says, make a rule of resisting payment of claims when they have the smallest shadow of ground to go upon, well knowing that the widow and orphan will rather compromise than fight. It is scarcely possible that any journalist could make a statement so utterly false, and yet believe it to be true. He offers no facts nor statistics. He cites no cases where such compromises have been made, nor does he give the name of the "very large number" of litigious companies. The company, he continues, through its ubiquitous agents, ascertains that the insured is pursuing a course of life which is "calculated" to hasten his death. The company makes a note of it, with the names of witnesses who can prove it. The man lives, and goes on paying up his yearly premiums. Twenty years afterward he dies of an accident, and the company refuses to pay on the ground that he forfeited his policy twenty years before. This is a grossly libelous charge. The honorable directors and officers of our life insurance companies are by implication accused of being villainous defrauders of widows and orphans. They are charged with accepting premiums from a man when they know that he has forfeited his policy, and when they have resolved to resist its payment when he dies. Moreover, they are charged with being unequaled fools in resisting the claim on a death by accident, on the ground that the insured forfeited his policy twenty years previous by pursuing a course of life which was "calculated" to hasten his death. Of course, this veracious and unprejudiced

Chronicle editor furnishes the proof—he names the company or the case? No; in the sweet egotism of his innocence he deems his unsupported word amply sufficient. Again, he says that companies have been known in cases where the heirs were sensitive and timid, to refuse payment on the ground that the party insured committed suicide—the company believing that rather than go into a lawsuit involving the possible disgrace of a father or husband, a small sum would be accepted by way of compromise. This fair and well-informed *Chronicle* writer does not know that with two or three exceptions life insurance companies insert in their policies a clause providing that the same shall be void in case of suicide. With this provision, they need make no compromise, nor care whether the "timid or sensitive" heirs go to law or not. We may say incidently at this point, that notwithstanding this suicide clause, the companies as a rule pay these suicide claims unless there is good evidence that the insurance was the determining motive for self-destruction.

The motive for this unjustifiable abuse and wholesale misrepresentation of life insurance may be found in the contents of the *Chronicle* of that date. The paper was largely devoted to the Ancient Order of United Workmen, who run a little insurance company of their own. Possibly, however, the article was suggested by a similar article in a Chicago paper of a week previous.

The fact is, the life insurance companies of this country are the reverse of litigious, many doubtful claims being paid in preference to incurring the stigma attached to resisting claims. According to the life insurance report of the Illinois Insurance Department for 1885, less than nine-tenths of one per cent. of losses were resisted last year by companies reporting to that department. Several years ago Actuary Harvey of St. Louis compiled statistics covering a period of twenty-four years. These statistics showed that less than one-half of one per cent. of all claims were resisted, and of this fraction one-half were so clearly fraudulent claims that the courts and juries upheld the companies in resisting their payment. In this State, where the regular life insurance companies yearly pay to policyholders and their heirs nearly $1,500,000, the amount litigated is less than one per cent.

We have assumed that the *Chronicle* writer was referring to regular or old line life insurance companies, and not to the co-operatives. The low percentage of resisted claims—for which we have the "official documents"—is a complete refutation of the scandalous charges brought by the *Chronicle* against ligitimate life insurance. The old-line companies are not litigious, and their managers have no motive for resisting honest claims. They simply act as the fiduciaries of a body of policyholders whose funds they hold in trust. It is the duty of the managers to pay all honest claims. Their benevolent inclinations, and their ambition to build up a business, rather incline them to too great lenity in the settlement of suspicious claims.

An Impatient Beneficiary,

Mrs. Nannie Poinsette, living at Chanute, Kansas, was poisoned to death last November under circumstances indicating that her daughter, Mrs. Morris, had administered the poison to secure $15,000 of life insurance. The two women were keeping a little hotel in the village of Cherryvale, and were reputed poor. The daughter procured for her own benefit a $5,000 and a $10,000 policy on the life of the mother, in the Mutual Life Ins. Co. of New York, and the Equitable Life Assurance Society, respectively. Then the women removed to Chanute, a few miles away. Mrs. Poinsette became slightly ill, and her daughter sent for a bottle of malt. A boy who was present testifies that Mrs. Morris gave a glass of the medicine to her mother, who immediately became very sick, and died in a few hours. Arsenic was found in the stomach of the dead woman. The question is, was the poison in the bottle when purchased, or was Mrs. Morris guilty of matricide? The case will come up for trial in a few weeks. The fact that the women were too poor to carry $15,000 of life insurance, is strong circumstantial evidence against the beneficiary, aside from the improbability of the

bottle of malt containing arsenic. It may be of passing interest to the reader to know that Cherryvale, where these women lived, was the home of the infamous Bender family, and the scene of their awful murders.

The Preller Case.

After the discovery of the body of Preller in a trunk in a St. Louis hotel, it was reported that his companion, Maxwell, and supposed murderer, had tried to procure a "subject" — a "cadaver" — in an Eastern city, ostensibly for dissecting purposes, as he professed to be a physician. The body was not positively identified as the corpse of Preller. It has since been stated that Preller was insured for $20,000 in the Ocean Accident Insurance Company of London, and that there were grave grounds for supposing that Maxwell and Preller had conspired to defraud the insurance company. The company is said to have declined to pay the insurance money to Preller's heirs, because they were indecently clamorous and exhibited no befitting grief for the untimely taking off of their relative. Again, it is stated that Maxwell, who has been arrested in New Zealand, treats the matter coolly, even jocularly, and says that it will all be explained satisfactorily when he arrives in St. Louis. The latest story is that Preller held only an accident policy, which had expired before the alleged murder.

Nothing certain seems to be known, yet in the midst of all this uncertainty, a San Francisco paper accepts as true the rumor that the insurance company will not pay the claim maturing by Preller's death, and makes the refusal the text for an abusive and maliciously unfair article directed against life insurance companies in general. If it is true that Preller was insured, as stated, the company is justified in delaying a settlement with his heirs until the mystery is cleared up. The body may not have been Preller's. There is nothing very improbable in the theory that Maxwell and Preller conspired to pass a corpse off as the remains of one of the conspirators. Similar attempts have been made, and some of them doubtless successfully. Under the suspicious circumstances of this celebrated case, the company would be doing an injustice to itself and to its policyholders by settling with Preller's heirs before proper investigations have been made, and every reasonable doubt allayed as to the death of Preller.

The Record of the Most Trustworthy.

Many of our readers have heard or read of the United Brethren Mutual Aid Society of Pennsylvania. It is an honorably conducted fraternal society which is making a heroic struggle with the inevitable. It has had every possible opportunity to test the co-operative theory of life insurance — a broad field of labor, an honest and capable management, and a loyal membership bound together in the bonds of a real fraternity. If the United Brethren Society cannot succeed, then no co-operative can succeed. For this reason its battle for life is watched with interest by life insurance men, and with apprehension by other co-operatives, who see the handwriting on the wall, predicting their own doom.

This representative co-operative began business in 1870. In 1875 it had a total membership of 9,900. Two years later the membership was 14,237. Since then the number of members has been gradually diminishing. On the 31st of December, 1884, the number was 8,224. In 1878 the number of new members was 4,633; next year the number was only 2,019, and every year since, the number has been decreasing. Last year the number of new members was only 477. While the membership has been dwindling, the number of deaths has increased from 243 when there were 14,237 members, in 1877, to 312 deaths in 1884, when there were 8,224 members. In other words, the death rate has increased from 17 per thousand to 38 per thousand in seven years. These figures verify the arguments and warnings of the old-line representatives. How long will members of the society continue to pay at the rate of $38 per thousand for "cheap insurance?"

Superintendent McCall of New York denies the statement that he is about to resign.

Schedule Rating.

[From a paper by Clarence F. Low, read before the South-Eastern Tariff Association, at Old Point Comfort, Va., June 24, 1885.]

Having failed to effect our purpose of raising rates, which was to make our business profitable (for it is undeniable that we do not get any better results, if as good, with present high rates as when they were so low that we felt ourselves driven together to form this Association, with the object of raising them) it becomes necessary to look for other means to compass this end. Successive increases in rates have been made, but the ratio of loss has advanced *pari passu* with rates, if indeed it has not run in advance of them. We now recognize the fact that we have to go outside the question of rates and consider other elements affecting our business, before our object can be obtained. But it is altogether possible to lay our rates in such a way as to secure much better results than we now do, and at the same time remove some of the obstacles we now encounter.

High rates are really dangerous to our business, in more ways than one. They drive from our books many of the best risks which form our real source of profit and make it all the more difficult to obtain adequate rates for those that are left us. There is a limit to the expenses in every business, and it is to be seriously considered whether the limit which merchants can afford to pay is not reached before we get the rate high enough to cover the general loss, if the old methods of laying rates are continued. We sometimes create the very danger we most desire to shun and help to form a moral hazard by contributing to the unprofitableness of the business of our patrons, by making their expenses excessive. One remedy for this I believe to be in making our rates more discriminating, so that a man having a good risk may have the benefit of a low rate. We have availed ourselves of this principle in some degree and the results of the tariff adopted at the Asheville meeting should encourage us to pursue our efforts in that line.

I believe we are now in a position where we can adopt schedule rating. I take it to be unnecessary to present any arguments to ony, to convince your judgment as to the desirability of that system, though it may be necessary to convince you of its practicability at this time. Within the experience of this body we have sufficient evidence of what can be accomplished by schedule rating to be convincing to anyone. We have but to point at what has been accomplished in cotton mills, cotton warehouses and cotton-seed oil mills to show how levying a tax directly upon defects procures their removal.

FIRES.

We herewith give the Coast losses, as reported to the COAST REVIEW, for the first six months of the past four years. The reader will observe that the half-yearly loss has been increasing for three years. The June losses this year are the largest of any June in the four years, and larger than the preceding months of the present year:

SIX MONTHS' LOSSES FOR FOUR YEARS.

	1885	1884	1883	1882
January....	$155,218	$146,281	$276,553	$122,815
February...	131,626	211,911	119,008	53,147
March.....	159,551	106,975	122,838	94,593
April.....	136,542	175,104	51,665	129,781
May..... ..	192,321	129,797	145,579	541,871
June.....	228,681	144,851	141,927	175,691
Totals....	$1,003,939	$914,919	$857,570	$1,118,898

Following are the losses for June, including a few unreported losses for May:

May 15, Miles City, M. T., frame building and merchandise:
Commercial, S. F $1,200

May 27, El Dorado county, Cal, general merchandise:
Sun, S. F..... $910

May 10, Helena, M. T., general merchandise:
Howard..... $1,168

May 20, Cottonwood, Cal., hotel:
Commercial, S. F..... $1,700

May 20, Tulare, Cal., threshing outfit:
Commercial, S. F..... $1,400

June 1, Seattle, W. T., steamboat:
Commercial, S. F..... $190

June 11, Washington Territory, barn:
Phenix, Brooklyn..... $979

June 1, Oregon, frame building:

Commercial, S. F.	$1,375

June 1, Reno, Nev., hotel:

Sun, S F	$350

June 1, Portland, Or., furniture in dwelling:

North British & Mercantile	$749

June 13, Florence, A. T., saloon:

Lion	$1 508

June 12, New Tacoma, W. T., dwelling and furniture:

Orient	$400
Connecticut	900

June 12, New Tacoma, W. T., hotel:

Home & Phœnix	$1,500

June 4, New Tacoma, W. T., butcher shop, dwelling and brick building:

Home & Phœnix	$600
Oakland Home	500
Connecticut	600
Royal, Norwich Union & Lancashire	291

June 24, North Brownsville, Or., frame stable:

Liverpool & London & Globe	$600
Firemans Fund	300

June 28, The Dalles, Or., dwelling:

New Zealand	$678

June 2, Cottage Grove, Or., dwelling and furniture:

Firemans Fund	$900

June 29, Salem, Or., frame building:

California	$200

June 21, Seattle, W. T., frame building:

Svea	$1,000

June —, East Portland, Or., harness:

New Zealand	$592
Commercial, S. F.	592

June 13, San Francisco, frame building:

New Hampshire	$266
Westchester	533

June 11, San Francisco, frame dwelling and contents:

Commercial, S. F.	$500

June 1, Santa Clara, Cal., building and wine tanks:

State Investment	$820

June 8, San Francisco, dwelling:

City of London	$106

June 8, San Francisco, frame dwelling:

Agricultural	$1,613
London & Northwestern	486

June 18, San Francisco, tailor shop:

South British & National	$943
City of London	943

June 26, San Francisco, stock and machinery:

Oakland Home	$181
New Hampshire	109
Union, New Zealand	219

June 27, San Francisco, dwelling:

Connecticut	$800

June 24, Helena, Montana, brick hotel and fixtures:

Firemans Fund	$130

June 26, San Francisco, dwelling and furniture:

South British & National	$110

June 13, San Francisco, furniture:

Sun, S. F.	$150

June 25, San Francisco, building:

Manufacturers	$650

June 14, San Francisco, frame building:

Home Mutual	$600
Hartford	180

June 13, San Francisco, brick building and cooper shop:

Merchants, N. J.	$250
Union, Philadelphia	450
German, Ill.	500
Concordia	500
German, Pittsburgh	500
Springfield	425
German	637
Merchants	638
Providence-Washington	700
London & Northwestern	450
Total	$5,050

June 10, San Francisco, general fire:

Transatlantic	$1,603
Hartford	325
German-American	2,500
British American	2,500
Sun, S. F.	125
Hamburg-Bremen	3,500
North German	5,000
London & Lancashire	2,036
Manchester	678
New Zealand	183
Liverpool & London & Globe	150
Total	$18,600

June 14, San Francisco, millinery goods:

Firemans Fund	$180

June 18, Fresno county, Cal., brick building:

South British & National	$573

June 21, Oakland harbor, Cal., dredger and machinery:

State Investment	$4,900
Home Mutual	5,000
Total	$9,900

June 19, Santa Clara county, barn and contents:

Home Mutual	$1,500

June 26, San Luis Obispo county, Cal., growing grain:

Firemans Fund	$480
Connecticut	300
Security	120

June 28, Oakland, Cal., hay warehouse:

Home & Phœnix	$2,250
London & Lancashire	1,090
Manchester	500
Prussian National	390
Total	$4,230

June 2, Santa Maria, Cal., general fire:

Firemans Fund	$597
California	2,000
North British & Mercantile	1,647
German-American	1,185
Boston Underwriters	257
Sun, S. F	257
Total	$5,943

June 1, Milpitas, Cal., warehouse and grain:

Ætna	$4,166
New Zealand	1,642
Firemans Fund	6,641
National, N. Y	2,744
Hartford	6,103
Total	$21,296

June 26, Chico, Cal., livery stable and dwelling:

Connecticut	$1,200
North British & Mercantile	200
City of London	670
Manufacturers	764
Springfield	533
Glens Falls	110

June 20, Eureka, Cal., frame laundry:

Amazon	$882
Pacific	882
Glasgow & London	918

June 20, Roseville, Cal., frame brewery:

Glasgow & London	$1,390
Western, S. F	1,390

June 9, Chico, Cal., barn and contents:

Firemans Fund	$148
North British & Mercantile	620

June 24, Angels' Camp, general fire:

Liverpool & London & Globe	$1,509
Commercial Union	1,315
Scottish Union	1,000
Imperial, London, Northern & Queen	1,500
Total	$5,324

June 21, Merced, Cal., general fire:

Liverpool & London & Globe	$2,625
Glasgow & London	751
National, Ireland	365
Fire Ins. Ass'n, London	1,430
Firemens, N. Y	500
Continental	750
Boatmans	1,000
Peoples	719
Citizens, Pittsburgh	693
Girard	693
Firemans Fund	1,138
Guardian	2,500
California	610
Union, N. Z	2,477
London & Lancashire	500
Manchester	500
Prussian National	200
German, Pittsburgh	1,000
Springfield	800
Phœnix, London	278
British America	2,878
Western, Toronto	2,290
Western, S. F	1,442
Hamburg-Bremen	1,249
Connecticut	575
North German	793
Imperial, London, Northern & Queen	2,334
Commercial Union	1,125
South British & National	1,139
Home & Phœnix	4,225
Total	$37,575

June 14, Sacramento, Cal., flour mill and warehouse:

Home & Phœnix	$11,900
Home Mutual	3,000
Ins. Co. of North America	2,000
Pennsylvania Fire, Phila	3,000
Liverpool & London & Globe	5,000
Total	$24,900

June 20, Oakdale, Cal., frame building:

Phenix, Brooklyn	$600

June 26, Merced, Cal., frame building;

City of London	$414

June 3, Visalia, Cal., furniture in dwelling:

London & Lancashire	$858

June 3, Niles, Cal., warehouse and hay:

Firemans Fund	$290
Phenix, Brooklyn	2,500
American, Phila	1,000

June 29, Monterey Co., Cal., barn:
Phenix, Brooklyn.....$500

June 17, Sacramento, Cal., Whittier, Fuller & Co.'s wholesale doors, blinds and oil store, brick building and adjoining property:

North German	$2,535
State Investment	272
Imperial, London, Northern & Queen	1,014
Sun, S. F	535
Home & Phœnix	182
Boston Underwriters	636
Williamsburg City	535
Oakland Home	265
Traders	633
Hamburg-Bremen	322
German, Pittsburgh	645
Transatlantic	2,535
Svea	380
Prussian National	666
Boatmans	507
Farragut	507
German, N. O	634
New Orleans	887
Pennsylvania, Pittsburgh	507
St. Paul	380
Fire Ass'n, London	380
Girard	507
Citizens, Pittsburgh	265
Firemens, Baltimore	265
Teutonia	265
Liverpool & London & Globe	1,014
Phœnix, London	1,267
British America	633
Western, Toronto	633
Total	$19,806

June 4, San Benito Co., Cal., barn:
City of London.....$215

June 25, Sacramento, Cal., merchandise:
Traders.....$160

June 1, Santa Monica, Cal., frame hotel building:
Liverpool & London & Globe.....$504

June 18, Sacramento, Cal., barn:
Liverpool & London & Globe.....$300

June 28, Oakland, Cal., stable:
New Zealand.....$540

June 20, San Diego, Cal., frame building:
Hartford.....$750

June 9, Los Angeles, Cal., dwelling:
Lion.....$1,434

June 16, Red Bluff, Cal., dwellings:
Phenix, Brooklyn.....$1972

June 4, San Benito Co., Cal., barn:
City of London.....$215

June 21, Lake City, Cal., frame building:
Hartford.....$2,000

June 6, Tulare, Cal., dwelling:
Lion.....$492

June 24, Oakland, Cal., general store:
Citizens.....$125

June 26, Stockton, Cal., chicory factory:

Fire Ins. Ass'n, London	$481
New Orleans	481
Pennsylvania, Pittsburgh	500
Teutonia	500
Germania, N. O	500

June 26, Sacramento, Cal., dwelling and contents:
Phœnix, London.....$287

June 6, Briggs Station, Cal., barn:
Phenix, Brooklyn.....$256

June 3, Oakland, Cal., frame hotel:
Commercial, S. F.....$150

June 23, Woodland, Cal., building and contents:
Western, S. F.....$972

June 16, Oakland, Cal., church and contents:

Manufacturers	$1,500
New Hampshire	400
California	1,000
Union, N. Z	1,000
Transatlantic	1,600
Total	$5,500

June 27, Modesto, Cal, stable:
Western, S. F.....$105

June 26, Stockton, Cal., furniture:
Williamsburg City.....$107

June 4, Centerville, Cal., hay:
German-American.....$800

June 15, Orland, Cal., dwelling:
Firemans Fund.....$350

June 20, Sacramento, Cal., stoves and tinware:
Seven companies.....$1,230

June 8, Mayfield, Cal., hay:

National, Hartford	$750
Manufacturers	1,650

June 4, San Jose, Cal., frame barn and contents:
Home Mutual.....$375

June 12, Marin Co., Cal., hotel and contents:
State Investment.....$1,800

June 17, Madera, Cal., general fire:
Hartford.....$245

June 9, Chico, Cal., furniture:
Ins. Co. of North America.....$1,400

June 1, Petaluma, Cal., dwelling:
Germania, N. Y.....$340

Grand total.....$228,681

CHIPS.

—Rather a hot month was June for the insurance companies, on this Coast.

—Business is said to be visibly reviving in the East.

—The New Era, a Philadelphia co-operative, has yielded up the ghost.

—A prominent architect of Cincinnati says of iron fire escapes: "I defy any one to point to a case where an iron ladder on the side of a building in front of a lot of windows ever saved a man's life in case of fire. In other words, they are a nuisance, a disfiguration, a death-trap."

—The men who have been engaged for a year in fire insurance and who do not know all about it are rare. Those who have been in the business six months and do not know all about it are still more rare, but those who have spent a lifetime in the business without mastering it are quite numerous. For a man that knows all about fire insurance, past, present and future, commend us to the special out on his first trip.—*Insurance Gazette of Ireland.*

—The recent condition of ocean tonnage between here and San Francisco, reveals a situation never expected. Southbound freights have been so heavy as to necessitate an extra steamer, the *Idaho*, to relieve the pressure, and the increasing of the trips to every four days. Wheat and flour shipments have decreased, while wool and salmon have increased. Northbound tonnage is comparatively light, and in noticeable contrast with the condition of affairs two or three years ago, when these same steamers were overloaded with freight northbound and carrying down cordwood and coaling at Portland for the round trip for ballast.—*Portland Journal of Commerce.*

—They hang incendiaries in Tennessee.

—Harry Boyd, agent of the Hamburg-Bremen at Portland, was in the city last month.

—Like the darkey collection-taker in a Southern church, the average co-operative manager will put tar in the bottom of the hat.

—Inquiring letters received from the interior indicate that there is a general and well-grounded feeling of distrust as to the future of the Home Benefit Association, of this city. The association is growing old.

—As will be seen in a card printed elsewhere, J. W. Kinsley has established an adjustment bureau at Helena, Montana. Mr. Kinsley is a first-class adjuster, and is well known to the insurance fraternity east and west of the Rocky Mountains.

—The introduction of the strictly passenger steamer will be the next change in the North Atlantic steamship trade. The fast steamer of the future will not carry cargo, and will be built accordingly. Under such conditions, she ought to be more profitable than the "greyhounds" of to-day, which sacrifice space to cargo that earns nothing for the vessel. Curiosity is aroused as to the company which will be the first to show courage to start upon this movement, which is inevitable. It will at least lose no more than by building a "greyhound" of the present type. It will be more likely to make money.—*Maritime Register.*

—What reasonable excuse for not insuring his life can any man make who insures his property? Will he dare allege that he covers his combustible property with a policy for the protection of his family, if he neglects to cover his life with a policy also? Does not such neglect convict him of selfishness? Does he not insure his property to protect himself, rather than his family? It looks very much as though such a man reasoned that if he lives and burns out without insurance, he would suffer; but if he dies without life insurance, leaving his family to uncertain charity, and certain hardships, he, dead, can not be a sufferer through his selfish disregard of life insurance opportunities.

—H. D. Irwin made a business trip through Oregon and Washington Territory for the Accident Insurance Company of North America, last month.

—We are informed that C. T. Hopkins will hand in his resignation as President of the California Insurance Company on the 18th inst., the resignation to take effect on the 1st of August. Mr. Hopkins gives as a reason for this step, his ill health and desire to live in a climate warmer than that of San Francisco. He will remove to his orange and lemon orchard near Los Angeles.

—A telegram from the Fejee Islands, via Montevideo and London, states that wreckage has been picked up bearing indications of having come from the ship *Yarra Yarra*, from Portland, Or. A more serious marine disaster was the loss of the *City of Tokio*, from San Francisco, in Yeddo Bay, near Yokohama. The steamer is aground and will probably prove a total loss. She was valued at nearly a million dollas, and uninsured.

—The following is given as a cheap mode of rendering fabrics uninflammable: Four parts of borax and three parts of sulphate of magnesia are shaken up together just before being required. The mixture is then dissolved in from twenty to thirty parts of warm water. Into the resulting solution the articles to be protected from fire are immersed, and when they are thoroughly soaked they are wrung out and dried, preferably in the open air.

—The *Colusa Sun* man reminds us of the volunteer soldier. He has been whipped, but doesn't know it, and therefore continues to fight. He says nothing deserving of a reply, however, nor is he likely to; for what can we expect from a man who seriously argues that the State should become an insurance company, because no plant—or capital—is required? The *Sun* editor will have to try some other plan to get cheap insurance on his printing office. The companies have lost too much money on country-newspaper offices to think of lowering rates on that class of risks; and no government can afford to insure them at a lower rate than that justified by the combined experiences of the companies.

—Mr. McCandlish, general manager of the Scottish Union and National Ins. Co., will visit America this fall.

—A $50,000 fire at Carson, Nev., a few days ago, will swell the July fire loss in this field to a very "respectable" sum.

—This is a dull month, and a holiday season. There is a sound of revelry by night, and of a sharp pair of shears by day, as the editor goes poking through his exchanges, while dreaming of the country and the string of trout he did not catch.

—The annual meeting of the stockholders of the Union Insurance Company, of this city, was held on the 9th inst. The old board of directors were re-elected. The business of the company for the first six months of the present year, as compared with the corresponding period of last year, shows a gain in premiums and a decrease in losses. Since January 1st, the assets have gained $24,593, and $11,499 has been added to the net surplus.

—James Bee, the Santa Clara incendiary, having stated under oath that Coroner O'Donnell's harangues incited him to set fire to property, the State Investment Insurance Company of this city has begun a suit against O'Donnell for $943, the amount lost at a fire started by Bee. The company will push the matter to a speedy conclusion. O'Donnell has considerable property. It is to be hoped that the State Investment will succeed in this suit, for no more effective method of closing the mouth of this incendiary demagogue can be employed.

—Some years ago the writer visited a village church where a "protracted meeting" was being held. A deacon "led in prayer," in the course of which he frequently exclaimed in a singular sing-song style, "O Lord, more back bone! More back-bone, O o-o Lord!" Every "brother" and "sister" that followed took a cue from the good deacon's confession of weakness, and repeated with emphasis his significant phrase, "O Lord, more back-bone! More back bone, O-o-o Lord!" The story is suggested by the attitude of fire insurance companies in dealing with divers and sundry evils.

—Milwaukee is to have a new fire insurance company.

—The COAST REVIEW Fire Insurance Chart for 1885 has been printed, bound, and delivered. Of the large edition printed, only thirty copies remain.

—The Arkansas Underwriters' Association resolved to apply the three-fourths loss clause to Helena, hereafter, and adopted the Texas iron-safe clause for country store risks.

—J. M. Thompson, late manager of the Denver compact, has been appointed special and adjuster for Messrs. Butler & Haldan's agency. Mr. Thompson comes to this Coast with flattering credentials, as an experienced underwriter and an able adjuster.

—San Francisco celebrated Independence Day by exploding fire-works from morning until night, but fortunately no fires of importance resulted. There were about twenty-five fires, the origin of which was clearly due to fire-works, but the aggregate loss was less than a thousand dollars. Lucky San Francisco! Lucky fire insurance companies!

—Edward M. Railton, for many years employed in an important capacity by the Central Pacific Railroad Company, has been appointed city agent for the accident department of the Pacific Mutual Life Ins. Co. As Mr. Railton brings to his new duties a wide acquaintance, and a valuable business experience, the appointment will doubtless add materially to the accident business of the Pacific Mutual.

—An enterprising widow of easy conscience, living south of here, recently presented a claim for a thousand dollars on her furniture, destroyed by the burning of a dwelling. Everything looked fair enough, but an adjuster, on making inquiries, found that she had removed every article of furniture and wearing apparel before the fire. She subsequently made a written acknowledgement to that effect. Did she set fire to the building to swindle the insurance company? Or, the building burning after the removal of her property, did it simply occur to her to try to deceive the company and rob it of the amount of the insurance?

—Publications received: Michigan Insurance Report, 1885; Kentucky Insurance Report, 1885; New York Life Insurance Report, 1885.

—A bill has passed the Illinois Senate to enable incorporated towns having an organized fire department to levy a license upon insurance companies for partial support of the same.

—A faithful engraving, illustrating the overhead telegraph wires in large cities, is entitled the Glens Falls Diagram Chart. Any one who sees the picture is impressed with the necessity of burying the wires. Every legislator should send for a copy.

—An electric-light wire attached to a Kearny street building lost its non-conductor coat one cold night recently, and chafing over the loss shed sparks freely while scraping an acquaintance with the cornice. It might have resulted in a fire had not the hour arrived for shutting off the current.

—On the complaint of the Western, of Toronto, the grand jury of Cincinnati have found a true bill against Col. Geo. W. Neff, of that city, for embezzlement. The amount which the company claims that Col. Neff is indebted aggregates $10,000. On the other hand, Neff says that by the cancellation of his general agency he is entitled to damages.

—The following is old if not good: The death assessments coming in rather fast, the Rev. Moses, who is a leading member of the colored Christian Life Insurance Association, arose in the last meeting and said: "I has a reserlution to offer, which I hope will be passed ernanimously." "I second der motion," yelled Brother Davis. "Der reserlution am as follows: '*Resolved*, Dat, whereas, owin' to der hardness ob de times, no man wid er family kain't hardly git enough ob de necessaries ob life to keep hisself from starvin' ter death, it am de sense ob dis meetin dat members gen'rally froughout de State took more pains wid der healfs an' stop off on der dyin' bisiness until de times git better.' All dem what's in favor ob dis motion will say I." Then all said "I," and the motion was carried.—*Kentucky State Journal*.

—F. J. Botsford, for several years in the insurance business in Portland, Oregon, has located in Oakland, as agent for Messrs. Smith, Snow and Moody's companies.

—A co-operative life insurance solicitor, who wore his whiskers *a la* mutton chop, was asked by a gentleman the reason why. The reply was: "Because they hide my cheek, and give my chin full play."—*Critic.*

—An adjuster was recently shown a receipt given the defunct Washington Fire Ins. Co. of New Tacoma by a claimant, who waived all claims under the policy, "as I set fire to the barn myself." Evidently, honest men do not monopolize all the candor in this world.

—Irwin & Watson, general agents of the Accident Insurance Company of North America, have removed to first floor 411 California street. The new office is spacious, light and conveniently arranged for the accommodation of their increasing business. Homer E. Osborn, city agent, also removes to the new quarters.

—The insurance offices in this city closed on Friday at noon or thereabouts, the following day being the Fourth of July. With one exception, every underwriter sought recreation out of the city Geo. W. Spencer remained at home, and devoted the holiday to instructing his new assistant. Mr. Spencer Jr. will doubtless make a first class underwriter. He weighs 10½ pounds.

—The local agent's neighbors judge his underwriting ability by the knowledge of underwriting he displays, and rates being equal, and industry fairly matched, the "posted" agent has the pole that takes the premium persimmon. It is not enough that an agent has cheek, nor enough to represent a first-class company. Prudent property owners prefer to deal with the agent who exhibits a practical knowledge of the fire insurance business—who knows about the resources and business of various companies, and in his conversation indicates the possession of a large fund of information regarding the business. The successful agent is usually something more than enterprising. He is a thoughtful reader of insurance literature.

—*Insurance,* of New York, is respectfully informed that it is a fact that the Hartford Life and Annuity Insurance Company did settle with an Oakland claimant by paying her $600—not $900, as erroneously stated—on a $10,000 certificate. The COAST REVIEW is careful to present facts.

—The Home Benefit Association, of San Francisco, issued an accident policy on the life of the late John Lowrie. The association advertises that it has settled the claim of the estate of the deceased, when in fact there is still an unpaid balance of $500. The administrators do not regard the matter in the most cheerful light.

—Mr. Thomas B. Bell, general manager of the Lion Fire Ins. Co , of London, made a hasty visit to San Francisco, last month, coming via the Southern Pacific, and returning via the Central. Under Mr. Bell's management, the Lion has been making satisfactory progress, the character and volume of business improving, and the loss and expense ratios diminishing. During his brief tour of inspection in this country, Mr. Bell has visited nearly all of the principal cities. We need not add that he found the offices of his company, on both sides of the Rockies, in a flourishing condition.

—A steam company in New York proposes to furnish fire protection to the dry-goods district. Mr. W. C. Andrews, representing the company, outlines the plan as follows: "The use of steam for putting out fires is not new. It is in operation in a great many large factories all over the world. There has never been any public system, because the conditions have never existed before under which it could be put in operation. The steam drives out the air and smothers the fire, and does not damage the goods as water does. By putting stand-pipes in each building, with four or five inch nozzles, on each floor, which could be turned on from the street, the steam could be turned on in any part of the structure. It would be so light a draft on our boilers that I doubt if it would lower the pressure to put out any ordinary fire. The dry-goods district contains more inflammable material than any similar territory in the world. It is inadequately protected at present."

—O. N. Hall, who has been ill with pleurisy for ten days past, has gone to the Santa Cruz mountains for recreation.

—At a conference to be held at Cresson Springs, Penn., in September, committees appointed by the Western Insurance Union will report on the new anti-compact (O'Neil) law of Ohio. It is reported that all the companies will join in contesting the obnoxious law.

—The expenses connected with the sixteen companies doing a marine business only (*i. e.*, excluding London Assurance and Commercial Union), are £238,295, and the interest and profit on investments realized are £192,216, or 9.71 per cent. and 7.83 per cent. respectively on the premium income, and the total dividend paid by the same companies amounted to £229.168, or 9.34 per cent. on their premiums.—*English paper.*

—The increase in the value of San Francisco real estate during the past year was $7,408,439. The total assessment foots up $171,433,156. Of this amount, $118,358,253 is the assessment against land, and $53,074,873 is the assessment against improvements. The total assessment last year as turned over was $164,024,688, which shows an increase this year of $7,408,439. The increase last year over the previous year (1883) was $5,301,418.

—In a leaflet circulated by co-operatives, a representative life insurance is reported as receiving an immense sum from its policyholders and returning to them a comparatively small sum in death claims. The intention is to convey the idea that all the remainder has been swallowed by enormous expenses and downright robbery. No mention is made of the sums paid for maturing endowment policies, surrendered policies, dividends, nor of assets held in trust, which exceed all the remainder of the premium receipts, leaving the interest earnings to pay expenses. This gross perversion of facts is a common trick of all co-operatives, high and low. The men who falsify in this scandalous fashion are co-operative managers. Every man of them is small and mean enough to steal the false teeth from his grand-daddy's corpse.

—Mr. and Mrs. Geo. E. Butler visited Oregon, Washington and British Columbia last month.

—The Minnesota Insurance Commissioner is one of the few men filling that office who seem to realize that the place was not created solely as a sinecure berth for politicians.

—The most tedious topic of no interest to anybody in particular, is the Iowa-Brown-Sherman fight. Some of our exchanges must circulate largely in the Brown and Sherman families.

—The Board of Supervisors has appropriated for the support of the San Francisco Fire Department for the fiscal year ending June 30, 1886, the following sums: Salaries, $217,500; running expenses, $60,000; rents, $600; relief fund, $1,500; total $309,600. In addition, $18,100 was appropriated for the fire alarm and police telegraph, making the yearly cost of the fire department, in round numbers, about $320,000.

—We take the following from a circular recently issued by the Continental Ins. Co., discussing the commission question: "We believe that any company will find it profitable to agree to 10 per cent. straight and 15 per cent. contingent—or even to 10 per cent. straight and 20 contingent—rather than a straight 15 per cent; and that a pledge that no company so agreeing shall change its commission at any agency without giving sixty days' notice in writing of an intention to do so, to all associates in the same agency, is the solution of the commission question in this country. It seems to us that the proposition of contingent commission is an exceedingly simple one—that of availing ourselves of the most powerful factor of human nature—self-interest. The average man always works better for himself than for somebody else. We want quality, resulting in profit, and we pay for quantity, resulting in loss, so surely as excessive insurance produces losses. We need careful selection, and we ought to pay in such manner as to secure it. Gentlemen, *we must take the agents into partnership with us.*"

—Continental companies have found to their cost that in writing English business it by no means follows that they share, even to a small extent, the success of their English competitors, and the result is that the underwriting of this country is now almost entirely in the hands of English underwriters.—*Liverpool Journal of Commerce.*

—Sydney Smith said there was a confusion of language in the use of the word "ancient." The present is really the ancient time; the men of to-day are properly the ancients. We suppose that it was with this understanding of the word that the founders of the society called it the Ancient Order of United Workmen. Being a recent creation and an experiment, it was an "ancient" enterprise.

—Here is an old friend that deserves a welcome—so long as it does not come round too often: In all policies of life assurance, these, among a host of other questions, occur: "Age of father, if living?" "Age of mother, if living?" A man in the country, who filled up an application, made his father's age 112, and his mother's 102. The agent was amazed at this, and fancied he had secured an excellent customer; but feeling somewhat dubious, he remarked that the applicant came of a very long-lived family. "Oh! you see, sir," replied he, "my parents died many years ago, but if living would be aged as there put down."

—Prof. Tyndall thus endeavors to explain the immunity obtained against a second attack of a contagious disease: "One of the most extraordinary and unaccountable experiences in medicine was the immunity secured by a single attack of a communicable disease against future attacks of the same malady. Small pox, typhoid, or scarletina, for example, was found as a general rule to occur only once in a lifetime of the individual, the successful passage through the disorder apparently rendering the body invulnerable. Reasoning from analogy, I ventured to express the opinion that the rarity of second attacks of communicable disease was due to the removal from the system by the first parasitic crop of some ingredient necessary to the growth and propagation of the parasite.

—N. O. Lauve, of Austin, Texas, is visiting this Coast. Mr. Lauve is a leading underwriter in his State, and represents the Commercial Ins. Co. of San Francisco as general agent for Texas and Louisiana. He is also State and local agent for a number of other companies, and is President of the Texas Underwriters' Association.

—The projected Victor Insurance Company in England, which was to unite with the Glasgow & London Insurance Company, has been abandoned, doubts as to the validity of the coalition having raised opposition. The Glasgow & London is to be reorganized, however, with Mr. Lang as manager, as was the original design.

—A few days ago a citizen of Alameda discovered and extinguished a blaze in the roof of a neighbor's house, which was insured for $1,000. As is frequently done in such cases, the interested company suitably rewarded the man by sending him a check for twenty-five dollars, which was pretty good pay for fifteen or twenty minutes' work. His wife thought differently, however, and informed her neighbors, with much emphasis, that the insurance company, having saved a $1,000, ought "by rights" have given that sum to her husband.

—In the case of the Cape Ann Clothing Co. *v.* The Providence Washington Ins. Co., tried at Baltimore, Md., recently, the defendant was sued upon a marine policy on lot of oiled clothing, part of which caught fire and was burned at sea. It was argued by the defendant that no recovery could be had, as a clause in the policy especially stipulated non-liability in case the article insured was itself of a perishable nature, and non-liability for loss by reason of spontaneous combustion. The Superior Court ruled that insurance companies were bound, in insuring a business, to know all the incidents to that business. They were bound to know if oil clothing was liable to spontaneous combustion, and the moment they insured the same they waived the condition of non-liability in the policy. In the absence of evidence showing negligence on the part of the shipper, the insurance company was liable.

—The Atlas Assurance Co., of London, is about to enter this field, with Messrs. Newhall & Co. as general agents.

—A New York company, the Greenwich, was compelled by the Insurance Department to recall 2½ per cent. dividends paid in excess of the limit prescribed by statute.

—The resolutions relating to adjustment expenses printed in the COAST REVIEW last month were adopted at the June meeting of the Fire Underwriters' Association of the Pacific.

—Eastern insurance journals, taking a Chicago contemporary as authority, erroneously state that the Franklin Fire Ins. Co. of Philadelphia has *re*-entered California. The Franklin never did business in the State before.

—Geo. C. Young, of Petaluma, and a leading insurance agent, has become a convert to the "Union" system, having formed an alliance with Miss Dora H. Leppien, of San Francisco. The commission was signed in this city on the 8th inst., by Rev. Robert Mackenzie as general manager of the wedding ceremonies. Of course, Mr. Young prefers the "sole agency" plan, entitling him to the highest privileges and the fullest compensation. We feel sure that the "Union" will have no more loyal supporter than Mr. Young, notwithstanding that the rules and regulations peculiar to the marriage compact may appear a little binding on one who has pursued the erratic course of a bachelor for many years.

—We learn through an agent of the Home Benefit Association, of San Francisco, that that hat-passer has discontinued its life department, so far as new business is concerned. The accident department has been reorganized as the Home Accident Association, in an effort to comply with the new law regulating co-operative life associations. As the new law does not provide for benevolent accident-relief associations, it is difficult to discover the motive for the reorganization of the accident branch, unless the old branch is of unpleasant odor where known. The contracts of the reorganized "chip-in for accidents" are as illegal as the old ones.

—Julius Jacobs is visiting the East, and will be absent two or three months. He goes for recreation, principally, but will consult distinguished surgeons in reference to a peculiar ailment of his right hand.

—The Maryland Commissioner thinks that "if the companies would expend some of their funds in the employment of intelligent inspectors, instead of paying everything to get business, good, bad and indifferent, a large saving would be effected."

—We understand that H. W. Snow has been appointed manager of the Southern California Ins. Co., for forty counties, the officers and directors concluding that they can manage the remaining twelve counties. It is also reported that A. Bretz will be supervisor of agencies in the rural districts of Mr. Snow's department.

—The Superior Court of Louisville, Ky., has affirmed the decision of the Chancery Court, in which it is held that no misrepresentation in an application for a policy of fire insurance will prevent a recovery on the policy, unless such misrepresentation is material to the risk, or fraudulent. The assured represented that she owned the absolute fee in the insured property, when her interest was only a defeasible fee. The representation not being material to the risk, did not prevent a recovery on the policy, although it provided that no recovery could be had thereon, if the interest of the assured was less than the absolute fee, unless the true title was expressed.

—A Mr. Hegeman, of Germantown, Cal., was insured in the Ætna Life Ins. Co. for $1,000, and in the California Life and Accident (assessment) Association for $2,000. He died about three months ago, and at the expiration of sixty days, the usual time, the Ætna Life paid his widow $1,000, or all the policy called for. The assessment company paid her only $400, or about one-fifth of the face of the certificate, but to soften her disappointment, stated that they might pay her more after the 1st of July. Mr. Hegeman supposed he was paying for $2000 insurance in the hat-passer, and his widow expected to receive that amount. Assessment insurance is "cheap" indeed.

—Los Angeles is to have a paid fire department.

—The Western Adjustment and Inspection Company of Chicago has been incorporated.

—Every issue of the COAST REVIEW announces the failure of one or more co-operative life associations.

—It is reported that one J. M. Sears, an insurance agent, has been defrauding the citizens of Lovelocks, Nev. Is he a co-operative man?

—Commissioner Tarbox of Massachusetts, having examined the People's Benefit Association of that State, denounces it as a fraud.

—The Protective Fire Insurance Company of New York is announced. The cash capital will be $300,000. An effort to make it $500,000 did not succeed. The design is to write large lines at low rates, and make frequent inspections.

—Just after the opening of a case in a Kansas court, the counsel for the defendant was obliged to request the judge to waken the jury, who evidently thought it not worth while to hear the evidence. They had already decided upon a verdict. The defendant was an insurance company.

—The beneficiary of a member of the Massachusetts Benefit Association has won a verdict against that hat-passer for $5,168—the face of the certificate with interest. The claim was resisted because it was too large for the probable contents of the hat. Co-operatives are becoming absurdly litigious, and will fight an honest claim on the slimmest pretext.

—The Iowa organ of the Ancient Order of United Workmen, the *Workman*, is aweary of the fraternal rot incorporated with that assessment insurance association. The *Workman* "talks right out in meetin' " after this fashion: "Much that has been written and published by the official organs of the supreme lodge throughout the country has been gush and sentiment. The time hastens when every member of the Order must realize that business is of the first importance and fraternity secondary. No organization insuring the lives of all its members can be a purely fraternal organization."

—Incendiaries set fire to the Roseville (Cal.) brewery, last month.

—Appleton's Annual Cyclopœdia of the year 1884 (just out) contains an interesting article on sanitary science, a subject of vital importance to house owners and renters in large cities.

—"Considering the vicissitude of life and the uncertainty of fortune, this life insurance seems more wise and necessary than the insurance of mere property."—*Ex-Gov. Rice, of Mass.*

—It transpiring that the death in Florida of Harwood, the bankrupt, whose life was heavily insured, was a natural death, the companies are paying the claims. The Equitable Life Assurance Society recently sent its check for $100 000 to his widow.

—In 1881, there were 152 co-operatives in Pennsylvania. Now, there are only seventeen. Co-operative or assessment insurance has been weighed in the balance and found wanting in that State. The Pennsylvania experience will be repeated in California.

—Buddensick, the mud-mortar contractor who was responsible for the collapse of a row of dwellings in New York, and the death of several inmates, has been convicted of manslaughter in the second degree, and sentenced to ten years' imprisonment. Buddensick is said to have formerly resided in San Francisco.

—James Bee, the Santa Clara fire bug, made a full confession, and was sentenced to twenty years imprisonment in the Folsom place for penitents. He admits that O'Donnell's San Jose speech incited him to apply the torch, but says he had been thinking the matter over before. Bee started six fires in San Jose, one at Boots' ranch, fired a warehouse at Milpitas, the Midway school house, the Coyote bridge, the station house at Waynes, the narrow-gauge depot at Santa Clara, and Block's winery in that vicinity. Bee declares he had no accomplices. He is said to be a very effeminate character, and the last man one would suspect of harboring incendiary designs against property. The merited severity of his punishment is likely to exert a wholesome influence on the would-be fire bugs on this Coast.

—Ernest W. Moon, an insurance agent at Sydney, Australia, has been visiting San Francisco.

—Letter postage rate is now only two cents for each ounce or fraction thereof. Heretofore the weight was one-half ounce or fraction.

—Thirteen years of fire insurance business in Minnesota show an average loss ratio of 64 per cent. The record for the past seven years has been worse, the losses and expenses exceeding the premiums by more than a half million of dollars.

—Mr. Cantlin of Philadelphia announces that he prefers cotton to rubber hose. Most persons would. It may be well to add that the gentleman is chief engineer of the Fire Department. The ordinary "life" of rubber hose in his department is three years, while the cotton will last much longer.

—The occurrence of two "general" fires at Miles City, Montana, within an interval of a few days, has resulted in a demand by the companies for better fire protection. The two "general" fires were altogether too general. The Phenix of Brooklyn has canceled all its policies in the town.

—Corbitt & Macleay, of Portland, have resigned the agency of the Imperial, London, Northern & Queen Ins. Cos., and a separate agency has been established for each company. The Imperial goes to Clayton & Oliver, formerly of San Jose, Cal. Mr. Clayton was manager for Corbitt & Macleay, and for six years was engaged in the insurance business at San Jose. The new firm also represent the California Insurance Co.

—An important addition to the official staff of the American Surety Co. of New York was recently made, in the appointment of Henry D. Lyman as Secretary and David B. Sickels as Assistant Secretary. For five years Mr. Lyman acted as chief clerk in the postoffice inspecting department at Washington, having in charge all cases of defalcation in the mail service. His experience in that field invests him with special qualifications for his new duties, and warrants the most favorable forecast of the American Surety Company's future.

—Antonio Ocilla, or Acetta, an insured Italian, said to have been drowned, has been arrested at Cleveland, O. This case is further evidence of the necessity of caution in paying all suspicious claims.

—The Union Mutual Life Ins. Co. of Maine has published its mortality experience for the past eight years. The average height of 1121 cases was 5 ft. 8 in., and the average weight 155 pounds. Of the deaths, 16 per cent were from consumption, 8 per cent. from pneumonia, 12 per cent. from heart disease, 10 per cent. from brain disease, including apoplexy and uræmia; 8 per cent. from diseases of kidneys, of which nearly 6 per cent. were cases of "Bright's disease;" 10 per cent. were from trouble of the digestive organs, such as liver, stomach and bowel disorders; 4 per cent. were from cancer, and 3 per cent. from typhoid fever.

—The liability of marine insurance companies in case of collision at sea is being made the subject of correspondence between the various boards. At present the Supreme Court of Massachusetts and the United States Supreme Court at Washington hold conflicting opinions, one maintaining that the vessel at fault can recover from the insurance companies the amount of damage to the other vessel, in addition to its own loss, and the other that it can only recover the amount of its own damage. English Courts rule that the companies are liable to three-fourths the damages to the other vessel.—*Inland Marine.*

—Several prominent companies have been advised of a loss at Batavia, N. Y., where the assured allowed a kerosene lamp to burn out and then claimed for damages to his stock caused by smoke from the smouldering wick. One company, which, by the way, is noted for its conservative management, has admitted its liability, while the others are decidedly of the opinion that the agent is in need of full instructions as to what is covered by his policies. If business has reached such a pass that a loss of this absurd character is to be allowed, then the broken lamp chimneys, smoked ceilings or burned cookery are just as reasonably within the limits of an insurance policy.—*N. Y. Review.*

—Massachusetts co-operatives have begun to squirm already under the provisions of the new law which requires a specific sum to be named in the policy, and have submitted two forms to the commissioner aimed to circumvent the law; one by naming a definite sum, and such additional amount as may be contributed, the other by a definite sum, and an alternative of the amount collected. Of course, if the forms had been approved, the definite sum might have been fixed at one cent, and the effect of the law completely nullified. But the commissioner declined to sanction it. If the law is properly enforced, it ought to prove a death-blow to co-operatives in that State, for it will be generally admitted that few can collect enough from an assessment to pay the sum promised. Mr. Tarbox deserves great credit for securing the passage of such a law. It strikes at the root of the frauds practiced by these associations. If they limit their promises to what they are able to pay, their undertakings will have no commercial value; if they do not, the commissioner will speedily close up their business.—*Monitor.*

—Here is the man the life solicitor is looking for. Bishop Brewer, of Helena, Montana, says "I have $1,000 only on my life. I wish it were for ten times that amount."

—As the result of a very hot fight, and a slashing of rates, common sense has resumed its sway among the local underwriters of Chicago, and the Chicago Fire Underwriters' Association has been organized. All the agents have entered the fold, and the generous, loving unity displayed would make brand-new lovers green with envy.

ADJUSTMENTS.

At the request of several prominent underwriters both East and West, the undersigned has so arranged his business as to devote such time as may be required of him to the adjustment of losses and supervision of risks. Located at a point midway between the Mississippi River and the Pacific Ocean, he can reach all points in Montana, Idaho, Utah, Wyoming and Colorado, with several hundred miles less traveling than an adjuster hailing from San Francisco can. Terms moderate. Promptness and accuracy guaranteed. Telegraphic orders responded to. Address:

J. W. KINSLEY,
Intermountain Adjustment Bureau,
Helena, Montana.

ACCIDENT DEPARTMENT

THE PACIFIC MUTUAL LIFE INSURANCE COMPANY

OF CALIFORNIA.

PRINCIPAL OFFICE, 418 California Street, San Francisco, Cal.

ORGANIZED A. D. 1867.

ASSETS, December 31, 1884 - - - - - - $1,263,014 22

The Managers of this corporation beg leave to announce that they have, as contemplated by their articles of association, organized an Accident Department, with

THOMAS BENNET, Manager, and W. H. DAVIS, Superintendent of Agencies.

And that hereafter they will, in addition to life business, transact the business of Accident Insurance.

Rates the same as those of other standard American accident companies. Policy provisions more liberal and less technical. Are NONFORFEITABLE and WORLD WIDE.

INDEMNITY THIRTY WEEKS.

The patronage of the public is solicited.

CAPABLE AND RELIABLE AGENTS WANTED.

The United States Life Insurance Co.

IN THE CITY OF NEW YORK.

(ORGANIZED IN 1850.)

261, 262 & 263 BROADWAY, NEW YORK.

T. H. BROSNAN, President.

C. P. FRALEIGH, SECRETARY. A. WHEELWRIGHT, ASSISTANT SECRETARY. GEO. H. BURFORD, ACTUARY.

All the profits belong to the Policy-holders exclusively.
All Policies henceforth issued are incontestable for any cause after three years.
Death Claims paid at once as soon as satisfactory proofs are received at the Home Office.
Absolute security, combined with the largest liberality, assures the popularity and success of this Company.
All forms of Tontine Policies issued.
GOOD AGENTS, desiring to represent the Company in California are invited to address

J. W. HOWELL, Manager, 235 Kearny Street, S. F.

Comparison of Business.	1883.	1884.
Payments to Policy-holders for Death Claims, Endowments, Annuities, Surrenders and Dividends	$475,923 98	$636,149 13
	1881–1882.	1883–1884.
New Insurance Written	$5,664,211 00	$9,111,488 00
	Dec. 31, 1882.	Dec. 31, 1884.
Insurance in Force	$17,167,105 00	$19,769,864 00

Interest due and unpaid on Total Assets, December 31, 1884, NONE.

SURETYSHIP.

AMERICAN SURETY COMPANY

CASH CAPITAL, $500,000.

General Office, 160 Broadway, New York.

RICHARD A. ELMER, Pres. **LYMAN W. BRIGGS, Vice-Pres.**
HENRY D. LYMAN, Secretary. **DAVID B. SICKELS, Asst. Sec.**

This Company will act as surety on Bonds required in the Courts. It is the only Company organized in the United States devoted exclusively to Suretyship, and with all its assets invested in this country. It guarantees the honesty of Officers and Employees of Railways, Banks, Telegraph, Telephone and Express Companies, and persons employed by corporations and business houses holding positions of trust and pecuniary responsibility.

E. D. L. SWEET & SONS.....Western Managers, Chicago
HENRY K. FOX.....Agent and Attorney, Philadelphia
GODFREY MORSE.....Agent and Attorney, Boston
BASCOME & MUNSON..... General Agents, St. Louis

BROWN, CRAIG & CO.,

General Agents for the Pacific Coast.

C. VAN DYCK HUBBARD, Manager.

429 CALIFORNIA STREET, SAN FRANCISCO.

COAST REVIEW.

A MONTHLY JOURNAL, DEVOTED TO FIRE, MARINE, LIFE AND ACCIDENT INSURANCE.

J. G. EDWARDS, Proprietor,

320 Sansome St., (Room 14), San Francisco, Cal.

(Take the Elevator.)

VOL. 20. AUGUST, 1885. No. 8.

Spontaneous Combustion.

[From a lecture delivered before the Polytechnic Society of Kentucky and the Louisville Board of Underwriters, by J. A. Tanner, M. D., Chemist of the Society.]

"An act of chemical union accompanied by the evolution of heat and light is termed combustion." This is a definition of the term as ordinarily applied to mean fires; and in this your attention is especially called to the fact that combustion is an act of chemical union, for upon a due apprehension of this point depends an understanding of all that is to follow. Three conditions must be complied with in order that the process of combustion may go on. In the first place a combustible—that is, something to burn—is required, and while we intuitively turn to such substances as wood, charcoal, coal., etc., as combustibles, still, under certain circumstances, other materials, as iron, lead, zinc, etc., can easily be made to burn. The second condition necessary is the presence of a free supply of some substance to chemically combine with the combustible material, and this is called a supporter of combustion. The great supporter of combustion is the gas oxygen, a gas that is ever present, constituting one-quarter of the atmosphere we breathe. Without a free supply of air to give oxygen fires will not burn, and even if once started will go out if cut off from a free supply of air, because the process of combustion cannot continue when oxygen is not present to combine with the combustible. To illustrate and impress these facts, here are three jars filled respectively with oxygen, hydrogen and nitrogen. This small piece of pine wood, when lighted and held in the air, burns slowly and gives but a feeble light; now, when placed in the jar containing the gas oxygen, it burns rapidly and gives a large and bright flame. In the jar the combustion is more active simply because oxygen, the supporter of combustion, is present in an undiluted state to combine with the combustible wood. When the wood is allowed to burn awhile so as to form a coal on the tip, and the flame be blown out, the wood immediately relights when placed in the jar. Now take the burning bit of wood and place it into the jar of hydrogen gas; the combustion of the wood ceases, but at the moment of contact of the gas with the flame the hydrogen itself ignites and burns at the lips of the jar only, because at this point it comes in contact with the oxygen of the air. If the lighted wood is next

placed in the jar containing the gas nitrogen, which is neither a combustible gas nor one that supports combustion, you will note that the wood ceases to burn and also that the gas does not ignite. From these simple experiments we learn that a supporter of combustion assists other materials to burn but will not itself burn; also that a combustible gas will not permit the lighted combustible material to burn in its presence, but ignites from the flame and burns where it can get the supporter. In these experiments, to have the wood to burn at all it was necessary that the process of chemical union should first be started by applying heat, or in common terms, the wood had to be lighted; and also you saw that the hydrogen in the jar did not burn until brought in contact with a flame.

From these points the third condition is easily deduced. That in order to have a combustible substance burn it must be heated to a certain extent before the process of combustion will start; when it has once started sufficient heat is generally produced to continue it without further outside aid. The degree of temperature that a substance must be heated to, for combustion to start, is the igniting point, and varies very much for different substances. The vapor of the bi-sulphide of carbon ignites at a temperature of about 350°. Resinous woods, cotton waste and such materials ignite at about 1,000°. Phosphorus fires generally at 112°, though it has been known to ignite when touched by the hand in a room where the temperature was only 70°. Gun cotton ignites at a temperature near 300°, while gunpowder requires 550°, and sulphur 500°. The composition for lucifer matches fires at about 120°, though there is a great variation here according to the make. The igniting point of charcoal varies according to the temperature at which the wood was charred. A beautiful illustration of the difference in the igniting points of substances is to take a piece of writing paper and place upon it a little gunpowder and upon this a small piece of gun cotton. Hold the paper above the flame of a spirit lamp and in a few moments the temperature will be sufficient to ignite the gun cotton, which flashes instantaneously, leaving the gunpowder behind, which in turn ignites and flashes without igniting the paper, and this will finally ignite and burn if held over the flame for a while. Circumstances modify very much the igniting point and the after combustion of substances. The mechanical division of any material is an important factor, as is illustrated in the household in starting fires by the use of kindling wood and shavings; since in such states of division, a match will give sufficient heat to cause ignition. A forcible illustration of the fact is to take iron filings and sprinkle them into the flame of a spirit lamp, when they burn with a beautiful effect, flashing immediately into a shower of sparks.

From this brief explanation, one can but grasp the fact that combustion is nothing but chemical action, and also, that as ordinarily seen the gas oxygen is necessary and must be present in abundance. If you will take a watch spring and dip the end in sulphur, then ignite the sulphur and place the spring into a jar of oxygen, it will burn rapidly, giving light and heat. In this experiment the end of the spring is heated to the firing point by the burning sulphur, when the rapid chemical union of the oxygen with the steel follows, producing iron rust. Place the spring in the open air and the same production of rust follows, but a long time is required, while there will be no light and no appreciable heat. Combustion is a chemical union, hence chemical action produces heat, which is readily shown by mixing water and strong sulphuric acid together in a test tube, then applying the tube to a bit of phosphorus, when it ignites. Again, if the chlorate of potassium and sugar be ground together and then a drop of strong sulphuric acid be added, the chemical action produces heat sufficient to ignite the mass, just the same as if the mixture is fired by a match. There is also a process of slow combustion, as in iron rusting, wood decaying, etc., and while in this no light is produced, heat is slowly evolved, and the same amount of heat is given out in the destruction of a substance from slow oxidation extending over months, as would be given out if the process was a rapid one requiring only a few min-

utes of time. Under certain circumstances the heat generated in slow oxidation will accumulate to such an extent as to raise the temperature of a combustible to the igniting point without the aid of external heat, when rapid combustion follows with the evolution of heat and light, giving spontaneous combustion; and this as a cause of fires is much more frequent than is generally supposed.

EXPERIMENTS SHOWING SPONTANEOUS IGNITIONS.

(1) Less than a pound of cotton waste was mixed with boiled linseed oil and placed in the open air where it would be exposed to the rays of the sun from 11.30 A. M. to 4.30 P. M., when smoke was issuing freely from the mass. At 6.30 P. M. a live coal had formed and the waste was charred throughout the interior. Signal service gave 78° as the highest temperature in the shade for the day. The temperature in the sun's rays was 100°.

(2) Another mass prepared in the same manner was placed in the sun's rays where the thermometer registered 101° as the maximum during the exposure from 10.30 A. M. to 11.45 A. M., when smoke was passing off. The mass was then removed to the shade, the smoke gradually increasing until a live coal was formed.

(3) In this experiment a bundle of cotton waste that could be closed in the cavity of the two hands was prepared with linseed oil and placed in an air bath and heated to a temperature of 200°. It was placed in the air chamber at 3.25 P. M., and at 4.10., forty-five minutes later, it was freely smoking.

(4) A mixture of one pound of pine sawdust and boiled linseed oil was heated in an air bath at a temperature of 150° for one hour and twenty minutes, when it commenced smoking. The mass was then removed to the open air and placed upon the damp ground. The smoke increased gradually and in two hours a live coal had formed.

(5) A ball of cotton waste about the size of the fist was saturated partially with oil and heated for one hour to temperature of 170°, when it was smoking and charred through the center.

(6) A ball of cotton waste the size of two fists was partially saturated with refined cottonseed oil and exposed to a temperature of 130° for four hours with no special results. The next day the mass was put in an air bath at a temperature of 165° and in four hours and fifteen minutes was smoking; the heat was continued one hour, when the mass was removed to the open air, and in a few minutes was in a blaze.

(7) Crude cottonseed oil heated as the above with waste gave no special results, but after heating at temperature of 165° four hours longer was smoking.

(8) Cast iron turnings with linseed oil placed in an air bath at temperature of 100°. Upon the turnings a very small piece of waste saturated with oil was placed. In less than an hour the turnings had heated sufficiently to cause the ignition of the waste.

These experiments are not picked from a number, the majority of which failed, but represent a series in which no failures occurred; hence it is safe to say that the spontaneous combustion of rags and similar materials when saturated with the drying oils is a certainty and a frequent cause of fires. Under favorable conditions fires will occur from this cause in a comparatively short time and from very small masses. Around furnaces, stoves, steam pipes, hot water pipes, and engines a sufficiently high temperature is found to produce the result, and the rays of the sun even in winter will cause the combustion of oily rags that may be so exposed. Some rags thrown into the streets to be afterward collected by the ragpicker, may finally reach a favorable position to ignite spontaneously; while when cast upon rubbish heaps in the cellar, or thrown where rats can gather and carry them away to build nests in warm places, they frequently are responsible for conflagrations. Sawdust springled upon floors, especially in drug cellars, paint stores, etc., where there is a certainty of becoming more or less impregnated with oil, is a fruitful source of fires, since at intervals a cleaning up occurs, when the oily material is scraped up and thrown into a rubbish box or left in a pile in a corner, or where the sun's rays will strike it.

IGNITIONS OF OILS, COAL, LIME AND CHARCOAL.

Oilcloth scraps gathered into a bundle and thrown into a corner of the cellar have fired spontaneously. Then oiled canvas goods when packed in large quantities have heated sufficiently to ignite. Numberless ways in which fires may occur from this cause might be mentioned, and scores of fires cited that have been traced directly to their cause, but time does not admit of it. The vegetable oils are not the only oils that give spontaneous combustion when mixed with organic matter, since experiment includes lard, sperm and other oils.

As before stated, oil that has become rancid will give spontaneous combustion much quicker than the same oil will when fresh. Linseed oil when boiled is much more active than when raw, because similar changes seem to be brought about by the boiling as when the oil is allowed to be gradually changed by time. This fact explains to some extent the variation in results obtained by the few workers who have entered this unexplored field of research. It has been determined by experiment that the recently expressed fixed oils are scarcely affected by the oxygen of the air, but after a variable period depending on the temperature and exposure to light, they begin rapidly to absorb oxygen. This experiment has been performed: A layer of nut oil a quarter of an inch thick and three inches in diameter was inclosed in a jar of oxygen gas standing over mercury. For several months, from December to August, the oil absorbed only three times its bulk of gas, but during ten days in the latter part of August it absorbed sixty times its volume. The absorbtion then gradually decreased, and at the end of three months ceased, when the oil had taken up 150 times its bulk of gas. Spread out the oil, slightly raise the temperature and have this absorption occur in a short time, then heat enough will be evolved to explain spontaneous combustion. Lime is a frequent cause of fires and one to be carefully guarded against. Lime forms into a hydrate of lime when water is added to it, and so rapidly does it combine with water that much heat ensues. This fact of heat being produced when lime is slaked is known to every one that works with it, but at the same time few seem to be aware of the danger of fire from it, simply because in their work a large excess of water is used, which prevents the generation of a high temperature. When lime is stored so that there is a leakage upon it when raining, spontaneous ignition is likely to occur; and in cases where lime is wasted from barrels in rolling them over the floor, fires have occurred from their waste material being swept into a pile, the floor having been sprinkled first. Only a few days since a vessel loaded with lime was reported on fire and the cause given as the leakage of water from the decks during heavy weather. An instance is recorded of a cart that was loaded with lime taking fire by the heat evolved by a shower of rain wetting the lime. Other instances could be enumerated if necessary. The destruction of hay stacks and barns filled with hay, due to fire, caused by the spontaneous heating of hay that is packed away before it is thoroughly cured, is a fact beyond dispute and has often occurred. Raw cotton packed damp in the hold of a vessel has caused the destruction of vessel and cargo by spontaneous ignition; and gin houses are often destroyed, it is claimed, by the stored raw cotton firing spontaneously by reason or the small amount of cottonseed oil expressed during the process of ginning. A large ocean steamer was reported last month as arriving in port with its cargo of cotton on fire.

At first sight it does not seem possible that coal can ignite spontaneously, but when examined carefully the fact ceases to admit of a question. Coal often contains a substance known as iron pyrites, fool's gold or coal brasses. Such coal, when broken into lumps and stored in large quantities in a moist atmosphere or packed in the hold of a vessel for transportation, has often been known to fire. Iron pyrites is a sulphide of iron, and when exposed to air and moisture oxidizes to the sulphate of iron; here is chemical action producing heat, and now if the coal is in small lumps and stored so that the heat evolved does not dissipate, the heat gradually increases until the point

is reached at which the coal will ignite. That this oxidation occurs can readily be shown by examining any pile of such coal that has been exposed, when the soft grayish sulphate of iron can be seen at spots or in their layer through the coal. There are pores through coal, and when broken into small lumps these pores absorb oxygen from the air to aid the surrounding atmosphere in the process of oxidation. This matter has been the subject of experimentation. Twenty-five pounds of iron filings and an equal amount of powdered sulphur have been mixed with water to form a paste-like mass, which was placed in an iron pot. This was covered with cloth and buried in the earth. At the expiration of eight hours the earth above grew warm, swelled up and cracked open, with fumes of sulphurous dioxide escaping. I have repeated this experiment on a small scale, taking a pound each of iron filings and sulphur, and after mixing with water the mass was put in a perforated tin box and then placed in the open air. At the end of one hour and a half the sulphur at the surface was burning freely. Authenticated instances of fires on ships and at coal yards from the heating of coal are numerous, but none will be mentioned here.

There are numerous instances on record of the spontaneous firing of lampblack and of powdered charcoal, and when by any means the oils are mixed with these materials they very readily fire of themselves. Experiments conducted in Paris have shown that sixty pounds of powdered charcoal in a heap is large enough to heat and fire.

DANGERS FROM STEAM PIPES.

Mr. James Braidwood, who was for many years chief of the London fire brigade, made the startling statement in 1846 that it was his belief that "by long exposure to heat not exceeding 212° timber is brought into such a condition that it will fire without the application of light. The time during which this process will go on until it ends in spontaneous combustion is from eight to ten years, so that a fire might be hatching in a man's premises during the whole time of his lease without making any sign." Among the many instances cited by Mr. Braidwood in support of this statement is one to the effect that a fire in the Bank of England was traced to a stove which was resting on a c st iron plate one inch thick, this in turn resting on concrete 2½ inches thick, which was supported by wooden joists, the joists under the stove igniting. If this is a cause of fire, then the majority of houses heated by means of steam, hot water and hot air are in constant danger of fire from spontaneous combustion, since the general impression prevails that the pipes and flues for heating can with impunity be placed in contact with timber. In examining this cause of fires, the first question is whether wood will char at as low a temperature as 212°. In tearing down houses for the purpose of rebuilding, the timber in contact with the heating pipes and flues have often been found charred. Charcoal is made for certain purposes in the arts at 300°. As the result of experiments performed by myself in the laboratory, small pieces of white pine heated a few hours in an air bath at a temperature of 300° were partially converted to charcoal. Considering these facts, it must be admitted the temperature of 212° is sufficient if applied for a long time to convert wood into a partially burned charcoal. Accepting this as a fact, the next point to consider is the degree of heat at which charcoal will ignite. Made from the same wood at different temperatures, the products ignite accordingly—that is, if made at a low heat it fires from a correspondingly low temperature. It has been determined experimentally that charcoal for making powder, when made at 500°, would fire spontaneously at 680°, and when wood has been carbonized at 260° a temperature of 340° only was required for spontaneous ignition. Under certain circumstances charcoal made at a temperature of 500° even will ignite when heated to 212°. Charcoal is very porous, possessing a great number of capillary pores, and absorbs with avidity gases and vapors, condensing them within the pores to a surprising extent; hence, if exposed to a moist atmosphere it absorbs moisture and in time will become saturated. In absorbing gases charcoal does not change their properties, since they can be driven

out unchanged when heat is applied. To this rule there are two exceptions, and the notable one is that of oxygen, which is not only absorbed but also enters into a chemical combination with the carbon.

So far the discussion of heating pipes and flues as a cause of spontaneous fires, has been upon the false idea that they are never heated beyond 212°. Under the ordinary pressure of the atmosphere, as when water is heated in the open air, it boils at 212°, but if it is heated under pressure, the boiling temperature increases accordingly; for instance, water boiling at temperature of 212° is under a pressure of 147 pounds, equal to a column of water one inch square and about thirty feet high; if the pressure is increased to two atmospheres the temperature required will increase to 249° and so on, so that when a steam gauge registers sixty the actual pressure is seventy-five pounds and the temperature at which the water is boiling as high as 307°. The higher the house the greater must be the pressure, and hence the higher the temperature at which the water boils, and it follows that the pipes must heat accordingly, and it is stated that in some systems of hot water heating the pipes have the water started through them at a temperature of 350°, Then where furnaces are used for heating, the temperature in a flue has been found to be 300°, at a distance of fifty feet from the fire. Couple these figures with those given in reference to the heat necessary to produce charcoal and cause its ignition, and it must be admitted that these pipes and flues for heating are responsible for many fires.

Considering all the points bearing upon hot water and steam pipes, also heating flues, an explanation is found of the great number of fires occurring at the approach of winter, and which are reported as from defective flues, supposed incendiary origin, or causes unknown. Steam pipes packed in sawdust or shavings to retain the heat while steam is conveyed to a distance have given fires. One peculiar and important instance is on record of a fire from steam pipes. In the drying room of a woolen mill a pine board was placed some three or four inches above the steam pipes to prevent wood from falling upon them. A fire followed, and after being put out a careful examination determined to the satisfaction of all, that the heat of the pipes had distilled the pitch from several knots in the pine board, and this dropping on the pipes had ignited and caused the fire. This illustration needs no comment, as the lesson is too plain to need pointing out.

OILY WASTE ON IRON SCRAPS.

Heaps of iron scraps and turnings are often to be seen about machine shops and foundries, and since they are considered especially free from danger as a cause of fire, they generally serve as a repository for oily waste, etc., which is cast upon them. These masses are generally oily and are very liable to heat on rusting, when even if not raised to a temperature to ignite the floor or other wood material about them, will give heat sufficient to cause the spontaneous ignition of the oily waste; especially will this occur when the sun shines upon such heaps. In an experiment bearing upon this I mixed linseed oil with four pounds of cast iron turnings and placed upon the iron a piece of oily waste about as large as an egg; the combination was then placed in a heat of 100° and in less than one hour the small mass of waste was in a live coal. This has not occurred in any of my experiments on oil waste alone, even when larger quantities were used, and the extra heat to produce this result must have come from the iron heating.

Short Rate Cancellation.

EDITOR COAST REVIEW—There being considerable difference of opinion as to the correct rule for the short rate cancellation of policies written pro-rata for short terms, I beg to offer the following solution:

By referring to the table of short rates it will be seen that a policy written for the term of one year earns 20 per cent. of the premium if cancelled at the expiration of the first month—that is, one-twelfth of the time having expired, one-fifth of the premium is earned. Keeping in mind this proposition of time to premium, which is that one-twelfth of the *term* gives one-fifth of

the premium, it matters not whether the original term is one year, one month, or any odd portion of a year. For, if a policy is written pro-rata for a short term *that* term must be considered the *unit* and a cancellation for any time less than this must be based on the proposition that the time the policy has run bears to the original unit. For example, suppose a policy written pro-rata for four months is cancelled at the expiration of ten days, the pro-rata premium for four months being $30.

In this example four months must be taken as the unit of time and $30 as the unit of premium. Now, ten days is just one-twelfth of the unit of time (four months), and consequently by the proportion already noted gives one-fifth of the unit of premium ($30), which is $6—the short rate premium for ten days.

What has already been said is based on one-twelfth of the term earning one-fifth of the premium, but of course this is equally true for any other term, as, for example, two months, or one-sixth of the term, gives by the table of short rates 30 per cent., and three months, or one fourth, gives 40 per cent. of the premium.

This rule may be proved by analogy. What is true for periods of less than a year should hold good for greater periods. That this is the case may be seen at a glance at the three and five year tables of short rates. For example, in the three year table, twelve months, or one-third of the term, gives one-half of the premium, and in the five year table, twenty months, or one-third of the term, gives one-half of the premium.

Trusting that this solution is clear enough to remove all doubts on the subject, I am,

Very truly yours,

CASHIER.

Who Owns the Business?

EDITOR COAST REVIEW—In answer to an expression of my humble views, published in your June number, our friend Lee of Red Bluff comes to the front in your issue for July, with a characteristic communication, in which he advances several of his usual arguments in favor of the proposition "that the business belongs to the local agent."

Here is one of his arguments, referring to the writer hereof:

> He ought to be killed first, but he may die before we reach the last amen, and that will be better. He may acquire a fire insurance idea or two, which will be of value to him in the other world. His adoption of the cognomen of "Ex-Local" is nothing more or less than grand larceny. Our united verdict is that he never did a local business of $1,000 per annum.

Well, that *is* a clincher, and ought to settle the question. Any proposition that can call forth such a convincing argument in its favor ought certainly to be beyond dispute. How grandly astute our oracular Red Bluff friend is. I can't understand it. But, hold! I forgot. He has, I believe, been in the fire insurance business *just three and one-half years*, and, as usual,

KNOWS IT ALL.

For what a man don't know about the business when he has been in it *three and one-half years* isn't worth knowing. It is evident that "Uncle Bill" Sexton hasn't got through coaching *him* yet. But pardon me for referring to these little personalities in which Mr. Lee chooses to indulge, and which I consider not only out of place in a discussion of this proposition, but entirely unprovoked by my former communication.

The question is, "Who owns the business?" Presuming that the term "business" means the "assured's patronage," the question might be put "Who owns the assured's patronage?" According to Mr. Lee, if I understand his position,

THIS INTANGIBLE ARTICLE

belongs strictly and solely to the local agent, and can by him be carried around in his vest pocket and deposited anywhere he sees fit; that, although a company may be, and may have been for fifty years past, in full possession and enjoyment of this patronage, fairly won by honest dealing and financial stability, the moment a three-and-one-half-year-old local accepts a company's commission as agent, this patronage immediately becomes his own private property, without reversion, and without reference to what the assured—the true owner—may say.

This patronage passes from No. 1—the assured—to No. 2—the company—through the hands of No. 3—the agent. Now, if Mr. Lee *owns* the business, he can easily dispense with No. 1 and No. 2. But

CAN HE DO THIS?

Can he dispense with the assured? No! Can he dispense with the companies? No! On the other hand, while neither company nor assured can be dispensed with, they *might* mutually dispense with No. 3, the agent—by direct correspondence. So that, instead of being the *owner* of the whole outfit, he is really the least important factor in the trade.

If Mr. Lee really owns the business, he can, of course, when he dies, bequeath it to his heirs, or he may sell and deliver it before he dies, without asking the consent of anyone else. We all know how such an attempt would culminate.

THE REAL OWNER.

The assured is the owner of the business or patronage, and the value of it is entirely contingent upon the acceptance or rejection of the same by the companies. He can get along without an agent when he desires to insure, but he cannot get along without a company, and Mr. Lee's pretended "ownership" is nothing more than a right to *stimulate* the business, and, perchance, to *divert* its volume from one company into the office of another, for which he is duly paid.

That the local agent in his capacity as a stimulator and transmitter of the assured's patronage is a necessary appendage to all well regulated companies, no one pretends to deny, and it is equally true that the value of a local agent is measured to a great extent by his realization of his functions as such. "Nuf ced."

Fraternally yours,

"SPECIAL AND EX-LOCAL."

From a Sick Dabbler in Co-operative Insurance.

The following letter was received by the San Francisco agent of a leading life insurance company, the other day, from an Oregon man, who is only one of many victims of co-operative insurance:

"Some ten years ago I held a policy in your company for $1,000. I made two payments and allowed the policy to lapse, as the premiums did not decrease quite as rapidly as I had been led to expect. I wrote to the agent, and for some reason failing to receive a reply, I concluded your company was a fraud. Since then I have dabbled in co-operative associations until I am *sick at the stomach*.

One of my neighbors holds a policy in your company, which payments have steadily decreased. This restores my confidence. Is it possible for me to insure again in your company and get the benefit of former payments? Or is that money gone for good? It seems to me that it ought to help me in taking out a new policy. Another neighbor took out a policy at the same time as I did, and for the same reason let it lapse. He died in just two weeks. My conduct in the premises did not hurt me. "I still live." Please answer my questions and enclose tables of rates, etc. I am still a good risk; 45 years of age and in perfect health."

It is perhaps needless to add that the company is ready to deal justly with this old policyholder, and allow him whatever is right for his former payments. He is fortunate in retaining his health during these ten years, otherwise his "dabbling" would have been a far more costly lesson.

The Mutual Reserve Fund's Examination.

The Insurance Department of New York recently subjected the Mutual Reserve Fund Life Association to a pretty thorough examination. The result was not nearly so flattering as the vaporings of the managers had led the public to expect. The Department reports that until very recently the books and accounts were so badly kept that the examiners could not verify the receipts for dues. "The system of payments and retention of vouchers has also been very loose." The system of medical examinations was pronounced to be "lax and insufficient." In the summer of 1881 the association reinsured 106 members of a mutual aid society without subjecting them to a medical

examination, although none of them had ever been examined. In December, 1882, the association reinsured 1,430 members of a Baltimore mutual endowment association without the usual medical examination. With such loose practices as these in the acceptance of new members, the members need no longer marvel over the singular prevalence of "pneumonia" throughout the country nor need they be surprised if more than one double assessment is speedily levied.

The assets are reported to be $1,061,292, and the liabilities $534,796. But the assets include $553,500 of "collectible" assessment dues. That reduces the tangible assets to $507,792, or less than the liabilities. The cash assets on June 1st were less than $6,000. This would indicate that the officers have been indulging in too many champagne suppers lately; but the members will pardon the officers these little extras at Delmonico's when they reflect that the modest salaries are as low as ten, fifteen and twenty thousand dollars annually.

There is a "reserve fund" of $302,200.97 on deposit with the Central Trust Company. In the opinion of the attorney of the Department, the contract of the association with the Trust Company "does not create a trust," but merely provides safe keeping for the money. About a year and a half ago the New York Superintendent had occasion to consult the Attorney-General of the State in relation to this "reserve fund." That official stated that the "reserve fund so-called" was liable to be withdrawn from the trustee in at least four contingencies. The Central Trust Company is simply the association's banker, and must surrender the "reserve fund so-called" when directed to do so by the officers of the association. This "reserve fund," of which the managers so loudly boast, affords no real security to members of the association.

A suggestive feature of the statement o the examiners is the number of resisted claims. Of the ninety-one unpaid claims, twenty, or twenty-two per cent., are resisted for fraud or lapsing of policy. The aggregate of the unpaid claims is $447,000.

The medical examiner, in his report, calls attention to the fact that the association carries a very large number of risks at advanced ages, "in excess proportionately of its seniors in business."

How the "Red Cock" Crows in Russia.

"In no country in the world," says a correspondent of the New York *Tribune*, "does fire commit such dread devastation as in Russia. This is owing to the almost total absence (except in the capitals) of any proper and rational means to struggle with this element; to the proverbial carelessness of the natives; to the now common crime of cheating the insurance companies by purposely burning down houses, insured for double their value; to revenge, the most ordinary manifestation of which is to 'make the red cock crow on an enemy's roof.' Ever since the time when the Empress Catherine wrote that 'half of Russia burns every year,' the destroying element has been at work, and the sum of property yearly sacrificed to the Arcadian simplicity of Russian manners and customs is incredible. Summer is characterized as the fire season. The opening of the fire season this year was unusually effective, as it consisted in the almost total destruction of the ancient town of Grodno. This time the fire appears to have originated by accident in a small wooden house inhabited by a Jewish family, and owing to a strong wind it spread with great rapidity. But at the outset the commonest means of resistance might have mastered or at least localized it. The Grodno engines, however, were out of order, water scarce in that part of the town, there was no proper organization of volunteers; in short, the usual neglect of every precaution, until danger is at the gate, resulting in the destruction of a flourishing city. Grodno burned during two days and nights. Being at Warsaw on the day of the catastrophe, I stopped at Grodno on my way back to St. Petersburg, but I regretted having given way to my curiosity, as the sights I saw would have upset the strongest nerves, and I brought away impressions that will haunt me for a long time to come. Of

all that large town nothing remains but one Catholic church and two or three streets, surrounded by a vast area of smoking ruins, with here and there a blackened house. All these ruins were covered with half-naked human creatures, madly digging among the ashes of their homes. It was the third day after the fire. Many of these people, mostly Jews, were hungry and snatched greedily at the pieces of bread distributed to them. They fought and tore the food away from each other, the provisions being insufficient for 20,000 men, women and children reduced to starvation. Some of the more fortunate had saved some articles of furniture, and made for themselves temporary shelters under tables, or ensconced themselves between presses and chests. I saw two children asleep in an upset cradle. The most revolting scenes of violence and robbery took place; thieves appropriated whatever they could find without any fear of the helpless and stupefied police. Groups of Jewish women went about screaming and looking for the remains of their burned children; the whole horrid place was filled with a cry of despair which rings in my ears even now. Here were 20,000 people suddenly deprived of shelter and bread. If misfortune is frequent in Russia it must be acknowledged that nowhere is charity more liberal. Help is being sent from all quarters to the sufferers, and money is equally distributed to Jews and Christians. The number of victims must be great, though no official accounts have yet appeared."

The Oldest American Underwriter.

The recent resignation of Peter R. Warner, President of the North River Insurance Company of New York, on account of ill health and the infirmities of age, give a timely interest to the following reference to him by Mr. Whiting in his address before the New York State Association of Supervising and Adjusting agents: "The oldest underwriter in this country at the present time in length of continuous service is Peter R. Warner, President of the North River Insurance Company of New York. Commencing as a clerk on the 8th day of April, 1822, he, with the exception of a short time between 1822 and 1824, when he was with the North River Bank, has been in continuous service with that company. He is now 81 years of age and is regularly found at the office of the company every business day, unless detained by sickness. He has never in all these sixty-three years had a vacation; has never seen Long Branch, and has never been to Albany but once in his life, and then on business in regard to the charter of his company. If ever our profession had a devoted servant, it is Peter R. Warner. His little company, though doing a very small business, has outlived all the storms incident thereto, and has returned to his stockholders over 600 per cent. in dividends since its organization." The premium receipts of the North River last year were only $21,243, which is about the average amount. The company will probably reinsure its risks and discontinue business.

A Legion of Dishonor.

This month we are supplied with a local example of the growing litigiousness of co-operatives, which was discussed in the July COAST REVIEW. Another pretended benevolent order, the American Legion of Honor, which meanly endeavored to repudiate not only its fraternal obligations, but its business contract of insurance, has been "brought up with a round turn" by the Superior Court of San Francisco. Eugene A. Milliard held a $5,000 certificate in the Legion of Honor, but was suspended for non-payment of assessments. He was afterwards reinstated by a vote of the subordinate council of which he was a member. Milliard subsequently paid all arrears to the subordinate council, which transmitted them to the supreme council. The Grand Commander declared that the reinstatement was illegal, but, mark you, the illegality of the act became apparent only when by Milliard's death the so-called Legion of Honor incurred a debt of $5,000. If he had lived, the Legion would have continued to accept his assessment payments and annual dues. But he died while his temporary delinquency was fresh in the memory of the

honorable Legion of repudiators, and they thereupon sought to cheat his unhappy widow. They refused to pay her claim, on the flimsy ground that her husband was not a member in good standing.

Judge Flint in a written opinion says that, considering the beneficent objects for which societies of this character are founded, Courts should seek to sustain rather than by refined distinctions and technical theories to defeat their generous purpose. It would be manifest injustice to allow the society to receive and retain the moneys paid by the deceased as a member of the order and yet deny his membership. He holds that their action in receiving the assessments operated as a waiver of the forfeiture incurred.

There can be no reasonable doubt that the increasing death rate of the American Legion of Honor impelled the officers to resist the payment of Mrs. Milliard's just claim. With this case before him, no member can feel an assurance that in the event of his death his family will not also have to go to law to secure the payment of his certificate.

A Country Agent's Protest.

EDITOR COAST REVIEW—I want to register a No. 1 North American kick right here. One of my customers residing here, gave me a policy on a building which he owns in San Francisco, but I was informed that I could get no commission on the risk unless I was an "enrolled broker."

Now please tell me what kind of a "heads I win, tails you lose" game is this?" While *I* can't get a commission on San Francisco business without being a "broker," a Hebrew broker from San Francisco can come into this town and take risks and get commissions on them without being a local agent.

Is this right and just? I say, no! I think it is an outrage, and I am surprised that the Union should have lent itself to such a "job." I am told it was done to oblige the city brokers. Are the brokers running the compact? If they are, I want to know it so that I can appeal to the proper authorities.

Managers and specials are always preaching "back-bone" to us locals. Does the above rule indicate the possession of any? I wish you would publish the names of the executive gentlemen who passed this one-sided rule, so that my fellow locals may "cultivate a friendly feeling for them."

If this rule is allowed to stand, we want another which will prevent brokers from getting commissions on country business, without being bona fide residents of the country town in which they take the business.

My voice is still for the compact—first, last, and all the time; but this sort of "funny business" must stop.

Yours truly,

LOCAL.

———— ————, Cal., July 24, 1885.

"Baby Insurance."

What is called "baby insurance" is becoming popular with the very poor of our large Eastern cities. It is not such insurance as is carried on in England, where the mortality of insured infants has grown to scandalous proportions. Only the funeral expenses of infants are insured, and there is therefore no temptation to "put the baby out of its misery" for the insurance money. It is a small business, though legitimate enough, and doubtless diminishes the anxiety of many a poor, toil-worn mother. When the baby falls sick, there is not the added sorrow of a possible burial in the Potters' Field, which is keenly felt to be an everlasting disgrace. The premium is only a few cents a week, varying according to the "style" of the funeral guaranteed. Some insure for a plain coffin, others for a handsome casket with flowers and carriages for friends. The expense of collecting these half-dime premiums is considerable, however, for collections must be made frequently, and small as the premium is, the collector must sometimes call more than once or cancel the policy. The necessity for such funeral insurance is sadly suggestive of the tendency toward European social conditions.

A Quarter of a Century of American Life Insurance.

The following valuable tables are taken from the Insurance Year Book. They exhibit the financial condition of, and payments made and policies issued by, all the life offices reporting to the New York Insurance Department, for twenty-five years.

FINANCIAL CONDITION.

NUMBER OF COMPANIES.	Year Ending Dec. 31.	Capital.	Assets.	Liabilities, Exclusive of Capital.	Surplus as to Policy-holders.	INCOME AND EXPENDITURES.			Taxes, Commissions and Other Expenses.	Total Disbursements.
						Total Premium Receipts.	Income from Investments and Miscellaneous Sources.	Total Income.		
17	1860	$2,121,000	$24,115,687	$17,159,873	$6,955,814	$4,770,346	$1,227,798	$5,998,144	$744,801	$2,908,936
17	1861	2,118,000	26,670,397	18,278,402	8,391,995	4,913,391	1,379,025	6,292,416	792,100	3,638,481
18	1862	2,310,000	30,123,332	23,791,459	6,331,873	5,742,448	1,698,043	7,440,471	871,867	3,759,153
22	1863	2,653,500	37,838,190	28,655,154	9,173,036	8,503,969	2,121,017	10,624,986	1,935 011	5,764,043
27	1864	3,134,200	49,027,297	34,718,231	14,309,066	13,181,974	2,981,164	16,163,138	2,299,142	7,021,649
30	1865	3,498,200	64,232,123	46,341,499	17,890,624	21,598,317	3,288,703	24,887,020	4,025,619	10,595,355
39	1866	4,790,600	91,587,028	65,588,523	25,998,505	35,825,006	4,550,660	40,375,666	6,770,335	17,176,666
43	1867	5,577,600	125,548,951	88,597,422	36,951,529	50,385,146	6,096,851	56,481,997	9,480,443	26,325,213
55	1868	8 387,768	175,262,330	135,806,958	39,455,372	67,835,325	9,546,833	77,382,158	13,789,689	40,959,021
70	1869	9.876,364	229,097,425	180,932,859	48,164,566	86,053,155	12,454,164	98,507,319	17,278,478	54,471,576
71	1870	10,519,484	269,520,441	221,160,702	48,359,739	90,298,266	14,727,882	105,026,148	18,349,431	63,876,840
68	1871	10,898,359	302,558,199	254,551,781	48,006,418	96,710,877	16,779,685	113,490,562	20,242,707	77,536,280
59	1872	9,667,416	335,168,543	288,327,107	46,841,436	96,602,683	20,703,346	117,306,029	18,006,861	78,207,257
56	1873	9,313,456	360,140,684	311,550,928	48,589,756	96,000,089	22,396,413	118,396,502	17,208,206	84,501,446
50	1874	7,277,000	387,281,897	328,392,552	58,889,345	89,434,996	26,297,718	115,732,714	15,986,881	81,232,333
45	1875	5,746,700	403,142,982	342,330,953	60,812,029	83,788,511	24,856,573	108,645,084	14,128,594	79,982,466
38	1876	5,176,500	407,406,333	346,279,780	61,126,553	72,056,698	24,301,885	96,358,583	13,174,419	76,618,183
34	1877	4,866,500	396,420,591	334,816,493	61,604,098	62,933,690	23,228,454	86,162,144	13,327,565	74,337,324
34	1878	4,950,500	404,079,145	339,585,627	64,493,518	57,236,335	23,226,664	80,462,999	10,992,051	72,128,070
34	1879	5,162,900	411,353,355	341,762,745	69,590,610	53,728,055	23,972,348	77,700,403	11,208,133	68,8?8,363
34	1880	5,100,500	428,332,871	355,805,939	72,526,932	53,972,388	23,431,057	77,403,445	12,851,312	66,317,859
30	1881	3,050,500	429,534,655	356,997,194	72,537,460	56,379,248	23,441,265	79,820,513	13,089,414	65,484,687
30	1882	3,534,087	449,602,347	372,850,956	76,751,391	60,504,274	24,565,860	85,070,134	13,338,788	66,242,344
29	1883	4,290,500	471,805,920	391,507,827	80,298,093	67,322,119	25,240,644	92,562,763	15,295,264	71,743,588
29	1884	4,290,500	491,487,719	409,676,528	81,811,191	72,016,264	24,958,112	96,974,376	18,153,435	76,632,098
Aggregates, 25 years						$1,407,794,570	$387,472,164	$1,795,266,734	$283,340,546	$1,276,319,231

PAYMENTS MADE AND POLICIES ISSUED.

NUMBER OF COMPANIES.	Year Ending Dec. 31.	Payments to Policyholders.				Total Divid'nds to Stockholders.	Policies Issued During the Year.		Policies in Force at End of Year.	
		Total Payments for Losses, Endowments and Annuities.	Total Payments for Lapsed, Surrendered and Purchased Policies.	Total Dividends to Policyholders.	Total Payments to Policyholders.		Number.	Amount of Insurance.	Number.	Amount of Insurance.
17	1860	$1,360,000	$243,954	$497,848	$2,101,802	$62,333	12,630	$35,589,934	56,046	$163,703,455
17	1861	1,474,005	665,341	637,922	2,776,858	69,513	9,563	24,978,444	57,202	164,256,052
18	1862	1,705,610	468,235	627,574	2,801,419	85,867	17,430	43,471,429	64,252	193,96[illegible],577
22	1863	2,305,892	361,830	1,031,939	3,699,661	129,371	35,224	89,812,093	98,095	267,658,677
27	1864	3,136,659	407,754	1,036,912	4,581,325	141,182	59,198	155,803,897	146,729	395,703,058
30	1865	4,125,442	691,382	1,475,212	6,292,036	277,700	86,261	245,427,057	209,392	580,882,253
39	1866	6,428,472	1,226,856	2,532,477	10,187,805	218,520	134,300	404,510,474	305,390	805,105,877
43	1867	8,253,003	2,067,782	6,183,624	16,504,409	340,361	158,605	471,611,744	401,140	1,161,729,776
55	1868	11,058,686	3,762,735	11,707,663	27,529,084	640,248	201,922	579,657,371	537,594	1,528,984,685
70	1869	15,692,831	5,148,900	15,733,862	36,575,593	617,505	231,269	614,762,420	656,572	1,836,617,819
71	1870	19,522,712	9,616,988	15 809,557	44,949,257	578,152	237,180	587,863,236	747,807	2,023,884,955
68	1871	28,773,041	13,263,390	14,624,608	56,661,039	632,534	209,753	488,655,022	785,360	2,101,461,834
59	1872	25,672,380	13,922,009	20,077,999	59,672,388	528,008	201,366	489,924,857	804,444	2,114,742,591
56	1873	27,232,435	16,669,594	22,938,235	66,840,264	452 976	199,050	465,614,001	817,081	2,086,027,178
50	1874	25,797,860	22,453,955	16,617,018	64,868,833	376,619	144,783	351,803,670	799,534	1 997,236,230
45	1875	27,174,631	20,414,574	17,900,605	65,489,810	364,062	133,095	299,276,337	774,625	1,922,043,146
38	1876	25,567,850	21,354,376	16,187,128	63,109,354	334,410	99,036	232,665,489	706,179	1,735,995,190
34	1877	26,103,286	19,152,318	15,397,370	60,652,974	358,785	81,909	178,283.617	633,096	1,556,105,323
34	1878	29,153,226	17,095,994	14,637,448	60,886,669	249,350	67,040	156,501,129	612,843	1,480,921,223
34	1879	31,684,522	12,207,823	13,479,613	67,371,958	278,272	*112,025	*168,633,035	*563,903	*1,457,255.513
34	1880	30,032,174	9,923,026	13.171.992	53,127,192	339,355	*456,965	*235,589,538	*860,219	*1,524,609,743
30	1881	31,068,144	8,497,354	12,579,151	52,144,649	280,624	80,929	222,582,483	627,385	1,540,089,680
30	1882	29,826,874	9,255,077	13,55[illegible],105	52,637,056	266,500	91,945	257,517,216	661,458	1,637,648 872
29	1883	33,894,306	8,837,757	13,417,464	56,149,627	298 697	110,302	308,064,893	705,059	1,763,730,015
29	1884	35,602,544	9,503,530	13,043,498	58,149,572	329,091	127,965	321,310,170	750,567	1,870,728,059
Aggregates, 25 years	.....	$482,646,585	$227,212,634	$274,901,425	$984,760,644	$8,218,041	3,299,754	$7,429,909,556	....	.....

*Includes industrial insurance.

Medical Examinations.

A correspondent of an English exchange says that the medical examinations of applicants are frequently superficial, and that the abrupt and sometimes rude manner in which applicants are treated intimidates nervous people, and prevents many from submitting to the ordeal of an examination. An experienced physician writes that the examination should be repeated with unusual care before submitting a proposer to a rejection, which is not only an unpleasant rebuff, but also a real and enduring disability. The correspondent referred to inquires, very pertinently, why life officers cannot expunge from their forms the question whether the proposer has ever been declined. The case should be decided on its own merits, without reference to the opinion of another physician, who may have rejected an applicant because of some medical hobby. It is said of two eminent physicians, that one rejected an applicant because he was a steady drinker, but accepted another applicant who went on periodical sprees; while the other physician pursued the opposite course. One physician argued that regular drinking was comparatively harmless, the other that it was deadly. One argued that sprees sapped the powers of life, but that regular drinking in moderation did not seriously affect the health, nor diminish longevity. The other equally distinguished doctor contended that regular drinking undermined the constitution before the victim was aware of the encroachments of his insidious foe; but that the man who took an occasional jambouree, always, or nearly always, recovered from its evil effects, and was therefore a good subject for life insurance. But as it is proverbial that doctors seldom agree, it will be admitted that there is still room for reform in medical examinations. We are reminded, in this connection, that there is a general ignorance as to the nature of the examination for life insurance. Many persons regard it as a very disagreeable experience, and imagine that some of the questions asked by the physician are more or less impertinent, and possibly an offense to delicacy. The solicitor should explain the matter fully, and free the applicant from that feeling of timidity or delicacy which may otherwise prompt him to postpone or forego life insurance.

The Chronicle Fire Tables.

The Fire Tables for 1885, issued by the *Chronicle* of New York, present a collection of useful statistics of the fire losses in the United States during 1884, with exhibits of the monthly, annual and aggregate fire losses in the United States and Canada for ten years. The number of fires, the property loss and insurance loss, and the causes of fires, are given by States. The Tables are neatly printed and substantially bound for the service that they are sure to get.

The following table of incendiarism by States is given:

	1883, per ct.	1884, per ct.
Alabama	52	48
Arkansas	60	54
California	20	11
Colorado	38	44
Connecticut	40	54
Delaware	44	29
Florida	47	48
Georgia	51	46
Illinois	15	20
Indiana	53	52
Iowa	34	42
Kansas	19	25
Kentucky	51	62
Louisiana	49	36
Maine	28	20
Maryland	12	19
Massachusetts	26	22
Michigan	33	30
Minnesota	41	43
Mississippi	63	51
Missouri	20	22
Nebraska	38	36
Nevada	38	33
North Carolina	70	51
New Hampshire	9	21
New Jersey	29	22
New York	23	25
Ohio	35	40
Oregon	7	50
Pennsylvania	20	20
Rhode Island	24	25
South Carolina	70	42
Tennessee	74	47
Texas	43	59
Vermont	20	37
Virginia	50	50
West Virginia	54	36
Wisconsin	28	35
For all the States	—	30

The incendiary fires for the United States in 1884 are given as 1,769, the property loss being $17,075,920, and the insurance loss $8,326,354. For the Pacific Coast and Rocky Mountain States and Territories the figures are—

	No.	Property loss.	Insurance loss.
Arizona	2	$17,000	$5,204
California	30	116,010	46,501
Colorado	12	229,400	77,100
Idaho	2	81,600	11,000
Montana	3	131,800	15,000
Nevada	2	10,300	.....
New Mexico	2	31,000	6,000
Oregon	19	435,381	234,214
Utah	1	2,500	.....
Washington	7	134,500	41,125

A diagram is given showing the relation between fires and failures in the United States during each quarter of 1884. When the failures were greatest the fire losses were heaviest. Losses from incendiary fires did not always correspond with business failures, but this fact should not diminish the significance of the correspondence between failures and fires, for it is evident that many incendiary fires are never detected.

It is stated that nearly one-tenth of last year's fire loss was caused by the burning of dwellings and tenements, of which upwards of 7,000 were consumed. The next greatest loss on a single class of risks was incurred on country and general merchandise stores, by which $5,000,000 was lost.

The table showing the aggregate annual losses in the United States for ten years—1875–1884—gives the following totals:

	Property loss.	Insurance loss.
1875	$78,102,285	$39,325,400
1876	64,630,600	34,374,500
1877	68,265,800	37,398,900
1878	64,315,900	36,575,900
1879	77,703,700	44,464,700
1880	74,643,400	42,525,000
1881	81,280 900	44,641,900
1882	84,505,024	48,875,131
1883	100,149,228	54,808,664
1884	110,008,611	60,679,818
	$803,605,448	$443,669,913

The following table shows the average losses for several years of the more important classes of risks:

Classes of risks.	No. of fires.	Av'ge loss.
Agricultural implement factories	20	$43,808
Agricultural implement and seed stores	68	8,432
Bakeries and confectioneries	217	2,679
Barns, granaries and stables	2,602	1,463
Boot and shoe factories	42	17,509
Boot and shoe stores	224	2,545
Breweries	40	12,872
Carriage and wagon factories	158	5,161
Churches	138	5,011
Clothing (retail) stores	224	5,795
Cooperage	73	8,136
Cotton gin houses	303	2,022
Cotton goods factories	44	28,095
Country and general merchandise stores	1,105	5,215
Court houses	26	19,621
Drug and chemical stores	385	3,921
Drug and chemical works	42	27,208
Dry goods stores	481	8,517
Dwellings	7,074	1,396
Flouring, grist and oatmeal mills	305	12,351
Foundries and machine shops	181	12,175
Furniture and upholstery factories	141	12,202
Furniture and undertakers' stores	212	6,575
Grain elevators	62	14,985
Grocery (retail) stores	878	2,485
Grocery (wholesale) stores	29	17,816
Hardware stores	215	6,475
Hotels	540	7,979
Liquor stores (retail) and saloons	728	1,419
Livery, training and hotel stables	242	2,979
Lumber yards	164	20,023
Paper mills	56	22,519
Printing and publishing establishments	213	3,066
Railroad depots and station buildings	116	12,061
Rubber factories	10	63,727
Saw, shingle, stave and shook mills	336	9,555
Soap and candle factories	21	29,525
Tanneries	50	22 254
Theatres and opera houses	63	19,155
Vessels at wharves and on rivers	133	9,911
Cotton warehouses	28	20,052
Liquor warehouses	9	57,788
Woolen mills	43	25,455

The World of Life Assurance.

[From a paper by David N. Holway, read at the recent meeting of the Boston Underwriters.]

In the olden time the Oriental was satisfied with his tent and herds and patriarchal ways. He had no thought of insurance of any kind. The Greeks and Romans, with all their culture and practical force in life, never grasped the fact that there was a law of averages under which the loss of ship or merchandise, of house or self could be made good to them. The latter built, indeed, the "Appian Way," which was both practical and beautiful, but its finest ornamentation on either side consisted of the magnificent supulchres of Rome's most noted sons. The preservation of the human body

through costly means over a long future was the prevailing thought. The preservation of wife and orphan in homes of comfort and refinement when an Epaminondas or Claudius died early or poor, was wholly unknown.

It seems to have been left to the keen, practical Anglo-Saxon mind to discover that he could so arrange the resources of the many as to afford sure protection to each. It is probable that as early as the middle of the thirteenth century he applied this principle in a marine sense, although it was not recognized by English statute until 1601. The manifest advantages accruing from this mutual method of protection against the loss of shipping was the direct cause of applying the same principle to human life. Hence it has been well said that life assurance was "born of the sea."

As early as 1706 we find the famous Amicable of London starting as the first actual pioneer. Naturally enough some of its practices through inexperience were crude, but it carried forward its business until 1867, when its risks were assumed by another office. *Thus the first life company in the world lived to be* 161 *years old.* In 1721 the London Assurance Corporation and the Royal Exchange commenced their life work, while the distinguished Society for Equitable Assurances began in 1762. The latter, through the inestimable services of Dr. Price, was of great use in furthering the security and perpetuity of the business. But the great idea grew slowly. It seemed to require the entire eighteenth century to establish the underlying principles upon which the great structure should thereafter rest. It is worthy of note, however, that these three corporations, averaging 150 years old, still live and carry forward about $80,000,000 of insurance in their old age.

In our own land the progress made has been marvelous. We have advanced step by step from being mere beginners to having the largest and best life companies in the world. The financial panics of 1857 and 1873, that made havoc with almost everything else, only temporarily checked the progress, while unquestionably they strengthened the solidity by enabling the companies to purchase the best securities at abnormal prices. During this time, to be sure, there were some companies, with good names but with little stamina, that came into existence during the inflationary period incident to our Civil War. They naturally succumbed. They were the weeds in the otherwise fair garden of American life insurance. The loss of about 1 per cent. in this way was healthful in every sense. The twenty-seven companies that now report to the State of Massachusetts are an example of the "survival of the fittest." The hoe has been well applied, the bonfire has occurred, and the garden is now clean, and beautiful, and productive.

The British companies now number ninety. Of these two are 164 years old, one 128, nine between 75 and 100, and twenty-eight between 50 and 75. The average age of all is over 52. The legal enactments of the United Kingdom, that now protects these companies, are better than at any previous time in their long history, and their future safety and permanency are more than ever made sure,

The general Assurance Company of Paris has at this time over $125,000,000 of business in force, and is issuing a new line at the rate of $15,000,000 per year. The twenty-three companies in France average 19 years of age, and are issuing altogether over $100,000,000 of new business annually. It is a significant fact, as illustrating the earnestness of the French people in this line of investment, that thirteen companies have been started within the past ten years, and that they are now carrying no less than $90,000,000 of insurance.

Germany has forty companies, the oldest having been organized in 1827, and the average age of all is over 28 years. Her new business now amounts to over $70,000,000 per year. It will be seen that she is $30,000,000 behind France in the amount of yearly issue, and that, although she is now $20,000,000 ahead in the amount outstanding, she will have to move faster than at present or soon fall behind her great rival.

Austria commenced her life assurance history in 1831. Her eighteen companies now average 20 years old and are issuing about

Statement of the Condition and Affairs

OF THE

CALEDONIAN

INSURANCE COMPANY

OF GLASGOW, SCOTLAND,

On the 31st day of December 1884

Amount of Capital Stock subscribed	$2,250,000 00
Amount of Capital Stock paid up in Cash	**$450,000 00**

ASSETS

Real Estate owned by Company	$ 660,165 90
Loans on Bond and Mortgage, and other marketable securities	424,031 84
Cash Market value of all stocks and Bonds owned by Company	370,955 34
Cash in Banks	24,442 60
Interest due and accrued on all Stocks and Loans	13,204 12
Premiums in due Course of Collection	61,882 64
Due by Life Department, and interest on Deposits	629 40
TOTAL ASSETS	$1,555,311 84

LIABILITIES

Losses adjusted and unpaid	$ 45,447 62
Gross Premiums on fire risks running 1 year or less, $431,011 58; re-insurance 50 per cent.	215,505 78
Gross premiums on fire risks running more than 1 year, $27,106 74; re-insurance pro rata,	9,889 10
Cash Dividends remaining unpaid	6,108 68
Due and accrued for Salaries, Rent, etc	1,815 00
LIABILITIES	$278,766 18
Cash Capital	**$450,000 00**
Net Surplus	**$826,545 66**
	$1,555,311 84

INCOME

Net Cash actually received for Fire Premiums	$ 509,237 60
Received for interest	61,905 40
Transfer Fees	47 50
TOTAL INCOME	$571,190 50

EXPENDITURES

Net amount paid for Fire losses	$ 306,428 02
Dividends to Stockholders	78,750 00
Paid or allowed for Commission or Brokerage	82,281 70
Paid for Salaries, Fees and other charges, for officers, clerks, etc	84,245 54
TOTAL EXPENDITURES	$551,705 26

BALFOUR, GUTHRIE & CO., GENERAL AGENTS.

GEO. W. SPENCER, Manager.

316 CALIFORNIA ST., SAN FRANCISCO.

$30,000,000 annually. It is probable that her enterprising neighbors will give the incentive to a larger progress in the near future.

Australia and New Zealand partake of the nature of the English people in believing in the practical importance of assurance upon their people. They have ten companies averaging 17 years of age, besides those from Great Britain and America which have branch offices there. Their business has reached the respectable volume of $40,000,000 per annum, and is destined to increase rapidly in the next decade.

Russia and Scandinavia were later than their more Southern neighbors in starting this practical idea among their slowly thinking people. The former commenced in 1835 and the latter in 1855. The combined issue of the two sections amounts now to about $20,000,000 yearly.

Our life companies must always stand like the States of our Federal Union, each having its own individuality and peculiar characteristics, yet all united in a grand union of purpose and action.

We are upon the threshold of the golden age of American life assurance. Its steady march in the future none of us may adequately measure. We venture the prediction, however, that with the advent of the year 1900 we shall be a nation of *one hundred millions* of people, and that we shall be protected by *six billions* of assurance. For the consummation of this great result let companies, and agencies, and people put forth a unity of purpose hitherto unknown.

Portland Correspondence.

PORTLAND, Or., July 25th, 1885.

EDITOR COAST REVIEW—Business is unusually quiet here. We try to comfort ourselves with the future outlook. Crops are said to be unusually abundant, and good reports on this subject come in from all directions. We have plenty of rich men amongst us, but they will not open their money bags. Occasionally one of them will put up a brick block, and try to grind out extortionate rents, and thinks he has done all he ought to do for his family and posterity. The *Oregonian*, our leading paper, continually gets after them and pokes them in the ribs, and tries to stir them up, but it meets with poor reward, for the moss is too thickly embedded on their ancient backs. Something will have to be done, and the sooner those that are able to help things along understand this, the better it will be for them—for if this dearth continues much longer, Messrs. Moneybags & Co. will find their gold vanished, and then it may be too late to "take hold."

We have been unusually fortunate this year—as far as city losses go—but just how long this will continue, if the depression goes on, I would be very loth to assure. No agent should be blamed if he cannot send in as heavy a premium list as formerly, for we not only have to "go slow," but the insurance carried, in spite of numerous new buildings, has actually decreased. People have to drop a good deal, as their business will not warrant anything else. At a rough guess, I do not think that less than $2,000,000 insurance has been curtailed within the past year. Were it not for the compact a good many agents would have to turn to street-car driving, or some other interesting occupation. Nobody will be more pleased than your reporter, to be able to tell you that things have taken a forward tendency; but facts are facts.

Your Albany letter, on the celebrated State Insurance Company, is a good one. It hits the nail right on the head, and mind you hardly hard enough, if half the reports I hear from credible quarters are only partly true. What we need badly is an Insurance Commissioner—for the Oregonians are too easily fooled. Just offer them anything new, and a little bit cheaper, and they will bite only too freely. Any kind of policy will suit them, but those with pretty pictures preferred.

East Portland had another fire, but it was handled much better than their late blaze.

Relief Company, No. 3, East Portland, have out of their own funds bought a new $150 bell, and they will donate it to the city. This is truly meritorious in the "boys."

Olympia, Astoria, and Seattle have all made their periodical calls on the companies' funds, but fortunately not to any alarming extent.

New offices seem to be the order of the day; Messrs. Oldendorff, Harvey & Co. have moved into handsome quarters on First street, near Peril street; Thompson, Riggen & Creighton, of the Northern, have a beautifully fitted up place corner of Ash and First streets (formerly occupied by the Bank of Oregon); Andrews & Co. have located good quarters on Peril, near First street; and Messrs. Clayton & Oliver, of the Imperial and California, have come right into "Insurance Town," on Stark street, next door to the New Zealand.

Insurance men are pushing themselves solidly to the front. At the late 4th of July celebration, W. F. Brown was on the Executive Committee, and J. W. G. Coffran was Assistant Marshal and Aide-de-Camp in Chief, etc.

Specials Ives and Wilson called on us—one to stir up and overlook some business, and the other to weep over some loss.

Mr. John Andrew, connected with the New Zealand Office, after four years steady work, is going to visit some of his old friends in San Francisco during the coming month.

Geo. L. Story, whose term of Fire Commissioner recently expired, in spite of some partisan competition has been re-appointed.

The "Mutual Reserve Fund Life Association, of New York," has been doing some mutual humbug business up here, and got several of our "prominents" to invest, but this extra call, "occasioned by the epidemic of pneumonia and kindred diseases," would not pan out, and many concluded to stop right there. One merchant, called on to put up some $75 additional, thought he had better look to his rent first. There are several that are weeping over this confidence game, but I suppose the regular old time life concerns will eventually be the gainers.

Yours very truly,

NAOLS.

Six Years of Life Insurance.

The following table, which we copy from the New York *Spectator*, embraces the aggregates of forty-seven American life insurance companies for six years. It is an encouraging and highly creditable exhibit, showing regular and important gains from year to year:

YEAR.	Total Premium Receipts.	Total Interest and other Receipts.	Total Income.	Total Payments to Policyholders.	Actual Expenses of Man'gem't (excluding taxes).	Total Expenditures.	New Policies Issued and Revived (Including Additions).		Policies in Force at End of Year.		Admitted Assets.
							No.	Amount.	No.	Amount.	
1884	$75,603,966	$26,320,765	$101,924,731	$61,216,639	$16,189,955	$81,811,206	988,028	$428,703,280	1,895,412	$2,093,492,289	$519,674,563
1883	69,894,722	26,832,364	97,466,274	59,447,536	15,404,407	77,798,743	884,683	406,722,849	1,657,999	1,959,567,370	501,639,764
1882	64,131,473	25,624,406	89,755,879	55,800,369	12,976,834	71,354,686	667,750	331,525,136	1,325,289	1,798,148,238	480,127,272
1881	58,781,983	25,301,922	84,083,905	55,703,563	12,135,653	70,896,699	512,635	283,198,169	1,009,178	1,676,926,201	461,058,114
1880	55,249,253	24,490,336	79,739,589	55,020,519	10,963,337	69,418,098	464,010	243,693,775	902,339	1,678,904,883	453,241,537
1879	53,977,913	24,951,701	79,929,616	59,299,886	9,547,765	70,604,193	113,924	178,262,694	694,665	1,515,574,437	431,614,410

Foreign Notes.

Only three French accident companies made a profit last year.

Automatic sprinklers recently saved a big cotton mill in England.

Two German marine companies, the Dresden and the Saxon, paid a dividend of 75 per cent. on the business of 1884.

The celebrated Lloyd's, of England, which have heretofore done a marine business exclusively, now underwrite fire risks.

In England the proportion of death by cancer to the total number of deaths is now about 1 to 35. This terrible disease is growing. In 1849, deaths from cancer were about 1 to 90.

In France under the *code Napoleon*, the building of a proper party wall has always been strictly enforced, and even in the terrible days of the Commune there was no instance of fire spreading from one house to the other.

The insurance of estates near rivers from damage by overflow is proposed in Austria. This form of insurance was talked of in the United States several years ago, but was declared to be impracticable. Nearly every risk is certain to become a loss.

The increase in the number of inhabited houses in Great Britain in the ten years, 1871 to 1881 was, in round figures, from 4,500,000 to 5,500,000. The value had risen in a still larger proportion—namely, from £35,500,000 in 1868, to £122,000,000 in 1882.

An American physician, Dr. Nachtel, has during the last five years made considerable efforts to organize ambulances in Paris to pick up persons who for any cause fall down in the public streets. It is computed that 5,000 accidents occur annually in the streets, without any assistauce to the sufferers.

There are villages in Switzerland where each family is supplied, from forests belonging to the commune, with wood for building purposes and for fuel; also with pasturage for their cattle, and with a small plat of ground on which to grow potatoes, fruit and vegetables. The wages of all public servants are paid from the communal revenue. There is no local taxation whatever. In the township of Freudenstadt, in Baden, there has been no taxation since its foundation in 1557. The village has free waterworks.

The vital statistics of London are said to show a fearful rate of mortality among insured infants. It is believed that the mortality among the insured is 50 per cent. greater than that among the uninsured. It is strongly suspected that many infants are deliberately murdered for the sake of the insurance on their lives. The companies which accept risks on infants' lives will only issue policies for healthy children, and if they were not killed the mortality among them would naturally be less then among the general average of children. The fact that the opposite is true, points unerringly to child murder, which is so easy of accomplishment and so difficult of detection.

The Local versus the Broker.

In a letter printed elsewhere, a local agent justly complains that while he cannot place a San Francisco risk without first enrolling as a broker, the city broker can compete with him in his own territory without any conditions whatever. Our correspondent thinks that the broker should be required to enroll as a local agent. It is certainly a one-sided rule which excludes the country agent from the city broker's territory, but permits the broker a free range of the local's territory. But the local's real grievance does not lie in his exclusion from the city business, though it may well serve as a sufficient reason for a similar rule excluding the broker from the country business. The local has a right to complain of any competition with the city broker. The country business properly belongs to the country agent. But it is idle to talk of his rights, or to declare that he should be protected. Men do not get their rights by complaints, nor by the mere asking. They must demand them, and support that demand with evidence of earnestness and power. The

country agents must take a hint from the brokers' methods.

Present this matter to any manager, and he will willingly admit that the transaction of a country business through city brokers is unjust to local agents. He will probably further admit that, aside from any consideration as to the local's rights, it would be better, as a rule, to accept country risks through country agents. because of a more satisfactory knowledge of the hazard. While the manager's sympathies are with the local, however, the principles of successful business usually require him to accept the country risk offered by the city broker. If he does not accept a good risk thus tendered, he is pretty certain that some other manager will accept it, and is equally certain that in any event his own local agent will not profit by the rejection.

This issue between the city broker and the country agent is properly a subject for the consideration of the Union. Any action taken by that organization will be useful and decisive. The local agents should unite in a demand that the Union shall forbid the acceptance of country business through city brokers. They can fairly ask this much of the Union, not only as an act of simple justice, but as a recognition of their loyalty to the compact.

Digest of Recent Insurance Decisions.

FIRE.

INCREASE OF RISK—CONTRACT WITH CARRIER—Jackson Co. *v.* Boylston Mutual Ins. Co.; Mass. S. J. C., June, 1885.—Cotton was brought by a broker for plaintiff, and shipped by him via railroad. Cotton was in two lots, and the broker, attaching the two railroad receipts to a draft, drew on plaintiff for amount of purchases. The draft, with railroad receipts attached, was received and paid by plaintiff's treasurer. Defendant received notice of the shipments, and endorsed same on policy. The railroad receipts contained a stipulation that in case of loss or damage to cotton sustained during transportation, whereby legal liability was incurred, only that company should be responsible in whose actual custody the cotton was at the time of the occurrence; and further, that the company incurring such liability shall have the benefit of any insurance which may have been effected on the cotton. The railroad receipts were not sent to the defendant nor their contents communicated, nor did it ask to see them. The plaintiff's treasurer did not know that they contained the clause, nor did they know that receipts containing such a clause would be likely to be taken, and no fraud or concealment from the defendant was intended. While in transit and in actual custody of the South Carolina Railroad, a common carrier and one of the connecting lines of the Atlantic & West Point Railroad, in the State of South Carolina, 36 bales of the cotton were destroyed by fire. For the value of these this action was brought. Defendant contended that policy was void because plaintiff made a contract with carrier by which the defendant was deprived of the right of subrogation, and its risk was largely increased without its knowledge or consent. Verdict was given for plaintiff, for the reason that plaintiff might properly contract with the carrier that the insurance effected by him would be for the benefit of the carrier.

DAMAGES—NEGLIGENCE—Cunningham *v.* Evansville & Terre Haute Railway Co. Ind S. C., June 25, 1885.—The complaint alleged that the plaintiff's property was consumed and destroyed by defendant's actionable negligence. The railway company defended on the ground that plaintiff's property alleged to have been destroyed was insured for its full value, and that he had received the insurance money due thereon. *Held*, That in such case the plaintiff is entitled to recover his entire loss from the defendant railway company; and the fact that the insurance companies in which the property was insured had paid them the amount of such insurance cannot constitute any defense. Nor can the payment of insurance money be used in mitigation of damages against the wrong-doer. The insurance is something with which the wrong-doer has nothing to do, and whether received by the plaintiff or not is no con-

cern of such wrong-doer, nor can he have any benefit from it.

SUIT TO REFORM POLICIES—Williams, Administrator, *v.* The North German and other Insurance Companies; U. S. C. C., Iowa, July 7, 1885.—Plaintiff, Williams, insured an elevator belonging to an elevator company. Loss was payable to Williams as administrator of his father's estate. At the time the insurance was placed, the elevator property had been sold under a decree of the Court, and had been bought in by Williams as administrator. The purchase was subject to redemption within one year. The legal title was in the Keokuk Elevator Co., and the interest of a purchaser under a defeasible claim was in Williams as administrator of his father's estate. Before the twelve months for which the insurance was to run had expired it was obvious that the condition of title must be changed. Either the elevator company must redeem and have a clear title to the property before the policy expired, or, failing to redeem, Williams would receive the deed and divest all right of the elevator company. The elevator company failed to redeem, and Williams received the deed. The property burned during the life of the policy. Williams filed a bill in chancery to reform the policies. The decision of the Court, as summarized by the *Investigator*, was as follows:

1. That the elevator company, having no interest in the property at the time of the fire, was not insured and could not collect any money, nor could it bring a suit for such recovery. Nor did the clause "Loss, if any, payable to C. L. Williams," change the legal relation. The loss mentioned in that form of policy was the loss of the elevator company. If this fire had taken place before the expiration of the time of redemption, the policy would have been just what it should have been. It would have expressed the loss of the elevator company. It would have been its loss. The loss should have been payable to Williams, but since the elevator company had no interest in it when the fire took place there was no loss in it, and Williams was not insured by the policy.

2. Chancery. Where a bill in chancery is filed averring that the language of the policy in that respect did not represent the contract which was made with the insurance agent to reinsure him and his (Williams) interest in the property, and other testimony corroborating, and

Where an instrument fails to represent what both parties intended to have it represent, and it devolved upon one party to draw up the instrument, and the other party merely to accept it, and it does not represent the views of both parties, and if the fault of the instrument was on the part of the party drawing it up, *it can be reformed*.

3. Harsh rule. When a person applies for insurance to an insurance agent who is supposed to know the legal value of all such policies which he is drawing up every day, and who is supposed to know exactly what is desired, if such agent fails to draw up what was intended to be drawn, it would be a harsh rule to say that that instrument shall not be reformed, and that chancery shall not reform it.

4. Knowledge. Where an insurance agent understood the character of the title, and there is proof of this, and was requested to provide for that state of things, and he carelessly made the policy as he did, and as it stands to-day, such contract on which these policies were issued, should be reformed so as to express the fact that the interest of Williams was insured.

5. Leased Ground Occupancy. Where a policy provides "that if the property is situate upon leased ground, and not so stated, or if the property ceased to be occupied during the term of the policy without written consent of the company, the policy should become void;" and where a bill seeks to reform a policy or policies in both of these particulars, and evidence given to the effect that it was known by the agent to be situate on leased ground, and was vacant at times, such reformation is unnecessary after having reformed the policies as to the interest insured, and may be waived and the company estopped by its own transactions from asserting them.

6. Liability. Where ground is leased from a city instead of a private citizen,

there can be no interest in the burning of the property or its destruction in any way. And where an elevator remains there with its machinery intact, sometimes used and sometimes not used, as it had been for years; that cessation from use simply meant that no steam was up and that nobody had been there to work, but men were about there all the time; that Williams went there frequently and had his papers there, and these facts were known to the whole board of insurers, therefore it cannot be held to have been vacant as an elevator, nor that these conditions are not waived.

Decree for plaintiff.

LIABILITY OF COMPANY FOR BROKER—EVIDENCE.—Saginaw Barrel Co., *v.* Sun Mutual Ins. Co.; Illinois S. C., June, 1885.—Desiring to insure his factory and machinery, a man applied to an agent to procure the insurance, leaving him to select the company. The agent forwarded the application to agents A and B, at Chicago, who procured the policy in a company with which they had considerable dealing. They sent the policy to the assured, through the first agent, and he sent the premium to them. A and B never forwarded the premium to the company. A loss occurred, and payment was refused because the premium had not been paid, as required by a clause in the policy. *Held*, That the liability of the defendant company depended on whether A and B were its agents, or were authorized to receive payment in its behalf. *Held*, That where insurance brokers procured a policy of insurance, received payment of the required premium, and failed to return the same to the insurance company, that the correspondence between the brokers and the company is proper evidence for the purpose of showing their previous relations and methods of business, in respect to insurance effected through them, and as tending to show that they were agents of the company, and as such, authorized to receive payment of premiums.

REDUCTION OF CAPITAL STOCK—Seignouret *v.* Home Ins. Co.; U. S. C. C., La., June, 1885. —The company preparing to reduce its capital, stockholder applied for an injunction to restrain such action. The injunction perpetuated, the decision being based on well settled corporation law "that a corporation has no implied authority to alter the amount of its capital stock where the charter has definitely fixed the capital stock at a certain sum. The shares of a corporation can neither be increased nor diminished in number, or in their nominal value, unless this be expressly authorized by the company's charter." The Court further cites as its opinion: It would also seem that, as the constitution and the law thereunder provide for the increase of the stock, but are silent as to a decrease, the power to decrease the stock of a corporation was intentionally denied. All the authorities examined and the nature of things are to the effect that a decrease of capital stock effects injuriously more parties and interests than would an increase. Increase of capital is generally considered to be beneficial to shareholders and creditors alike; to the former as tending to diminish and not to add to their individual risks; to the latter as increasing the amount of their security. In Percy *v.* Millandon the Court said: "Creditors and customers have a claim to the preservation of the capital in its original integrity. So has the public; so have the stockholders." Reducing the capital stock is practically the dissolution of the company and the organization of a new company.

LIFE.

THE SUICIDE CLAUSE.—Salentine *v.* The Mutual Benefit Life Insurance Co.; U. S. C. C., Milwaukee, June, 1885.—The policy provided that it should be void if insured died by his own hand, but that if insane when he killed himself the company should return the premiums paid with interest. *Held*, That it was competent for the company to thus contract, and thus to limit the extent of its liability upon the happening of the contingency named. *Held*, That there was no repugnance between the different clauses declaratory of liability.

GENERAL AGENT MAY WAIVE PAYMENTS.—O'Brien *v.* Union Mutual Life Ins. Co.; Minn. U. S. C. C.—Although in printed

policy and application it is stated that no policy will be considered valid and binding until the premium is paid, a general agent of a foreign company may waive such condition and give credit.

REINSURANCE—ORAL REPRESENTATION.—Prudential Assurance Co. *v.* Ætna Life Ins. Co.; U. S. C. C., Conn., April 14, 1885. The failure of an insurance company that procures reinsurance to comply with an oral promissory representation in regard to its future conduct, made without fraud or falsehood, before the policy was issued, and not alluded to therein, is not a valid defense against the insurer's liability upon the policy.

ASSIGNMENT — INSURABLE INTEREST. — In the case of Warnock *v.* the Scioto Trust Association, it was held that the assignment of a life policy to a party having no insurable interest is as objectionable as taking out a policy in the name of the latter. Nor is the character of the transaction changed because the assignment is for a portion only of the money. It is a wagering contract which the law will not allow. Justice Field, in delivering the opinion of the Supreme Court of the United States, said: "In all cases there must be a reasonable ground, founded upon the relation of the parties to each other, either pecuniary or of blood affinity, to expect some benefit or advantage from the continuance of the life of the assured. Otherwise the contract is a mere wager, by which the party taking the policy is directly interested in the early death of the assured. Such policies have a tendency to create a desire for the event. They are, therefore, *independently of any statute on the subject*, condemned as being against public policy."

INSOLVENCY—FORECLOSURE.—Falkenback and Seltzer *v.* Patterson, Receiver; Ohio S. C., July, 1885.—A life insurance company deposited with the Superintendent of Insurance, under the requirements of the statute, securities to the amount of $100,000, to secure the policyholders of the company. The company became insolvent and in a proceeding to dissolve the corporation and to settle its liabilities, a receiver was appointed. The securities so deposited were in promissory notes secured by mortgages on real estate, and the receiver began suits to foreclose. Amongst these notes were obligations of F and S given to accommodate the company, who set up the defense that the receiver could not collect these notes for the benefit of the general creditors; that they were given to secure the policyholders only, and that as the receiver took only the title of the company itself to these notes, he could not recover on notes given for its accommodation. The court below decided in favor of the receiver, and the defendants carried the judgments in the cases to the Supreme Court, where the judgments were reversed. Judge Follett, in the opinion, said: "Before these mortgages can be foreclosed there must be shown some specific amount due, or to become due on account of the policyholders, and that this amount is a claim against this special deposit. And when such amount is ascertained, the amount needed from the deposit to pay it should be obtained through the Superintendent of Insurance, who is the holder in trust of the deposited securities. The receiver has no interest or rights in these securities which the company itself did not have, and he cannot realize upon them for the benefit of the general creditors, except through the ownership of the company. Now the notes and mortgages of F and S were not the property of the corporation; they were accommodation notes and mortgages, made without consideration, and taken and used by the corporation for a specific purpose. As against the makers, the corporation had no right to them for any other purpose. It could not compel payment of the notes, nor could it foreclose the mortgages. The makers of the notes and mortgages have a full defense to the claims of the general creditors, and the judgments below must be reversed."

DEATH IN CONSEQUENCE OF AN ILLEGAL ASSAULT.—Murray *v.* New York Life Ins. Co.; N. Y. C. of A.—In the policy was the usual condition that if the assured die in a duel or from its effects, or in violating the

laws of any State, nation or province, the contract should be void. Wisner Murray and his brother Spencer formed a plan of waylaying and assaulting one Berdell. In executing this plan Wisner Murray was killed. Spencer held Berdell's hands from behind, and Wisner beat him over the head with a rawhide. Berdell succeded in drawing a pistol from his hip pocket, and then Wisner called upon Spencer to prevent his shooting. While saying this and running toward another room, he was struck by a bullet from the pistol. Berdel was struggling in Spencer's grasp. In court he testified that the pistol was discharged unintentionally. In the trial it was admitted that Wisner Murray was doing acts in violation of law; but it was also claimed that the shooting was accidental, and that as Wisner had abandoned the assault and was running away, his death was not in consequence of the illegal assault, and did not come within the clause of the policy. In its decision the Court *Held*, That the provision in the policy clearly exempted the company from all risks of life which accompany violation of law, and which are natural concomitants of violent and illegal deeds, and that all that was necessary was such a relation between the act and death that the latter would not have occurred at the time if the deceased had not been engaged in violation of the law.

English Vital Statistics.

The Register-General, of London, reports that during the four quarters of 1884, 908,574 births and 531,951 deaths were registered in England and Wales. The *natural* increase of population during the year, calculated in accordance with the rate of increase that prevailed during the last intercensal period (1871-81) was 364,148, and 12,475 less than the excess of births over deaths. According to returns issued by the Board of Trade, 245,765 British emigrants (of whom 150,652 were English, 232,276 Scotch, and 72,837 Irish) left the various parts of the United Kingdom at which emigration officers are stationed during the year. This number showed a decline of 76,149 from the number in 1883.

The 531,951 deaths during 1884 included 133,577 of infants under one year of age, and 135,093 of persons aged upwards of 60 years. The rate of infant mortality, measured by the proportion of deaths under one year of age to registered births, was equal to 147 per 1,000, against 141 and 137 in the two preceding years. The proportion of infant mortality averaged 149 per 1,000 births during the years 1871-80, while the mean proportion during the past four years of the current decade was only 139. The rate of mortality, during 1884, among persons aged upwards of 60 years was equal to 67.3 per 1,000 persons, estimated to be living at those ages; in the three preceding years the death-rate at these ages were 67.2, 65.6, and 69.6 per 1,000 respectively.

Invited to Visit London.

The fire brigade committee of the Metropolitan Board of Works of London, at a recent meeting, reported that they had considered a letter from the director-general of the American exhibition to be held in London next year, in which it was stated that the fire brigade of San Francisco had expressed a desire to pay an "official visit" to London next year, with a view of showing to what degree of excellence they have brought the San Francisco system of saving life and property. As the members of the brigade "would wish to defray all the expenses of the journey," there seemed to be no reasonable objection to formally invite them to come over and "make themselves to home;" but a prudent committeeman discovered a technical difficulty, and succeeded in substituting a safe informal resolution declaring that the Board would be "pleased to see the visitors, and afford them every opportunity of making themselves acquainted with the Metropolitan brigade."

The director-general of the American exhibition has merely anticipated the COAST REVIEW in the proposed visit of representatives of our fire brigade, for we were about to suggest that the only thing the American exhibition was going to lack was an American fire brigade and their appliances. On second thought it would be well to add an

American fire. Our fire lads could then astonish the natives and fairly "paralyze" the London firemen.

A Vertebral Brace Needed.

A very substantial brace of some kind is needed to stiffen the vertebral column of many offices when they are obliged to meet a "pressure" in the settlement of suspicious or exorbitant claims. It is a lamentable fact that unjust claims are paid in full because of this "pressure" exerted through some official who may be the personal friend of the claimant, or himself interested in the loss; and many such claims are paid because the company or its representative lacks the backbone to resist this demoralizing "pressure" when bought by business men who threaten a withdrawal of "patronage." Every adjuster can recall many instances, some of them quite fresh, where one or more companies interested in a loss have coolly ignored the adjustment and paid an excessive claim in full. This has been done without any question as to the correctness of the adjustment, and often without consulting the interested companies. The only reasonable inference is that the too "prompt paying" company has weakly fallen down before some illegitimate business or personal influence. There is a proper way to ignore adjustments that are believed to be unfair to the claimant, and that way is to discharge the adjuster and notify other interested companies that the adjustment is not recognized as binding, and that the claim will be paid as made. Such a course would be "open and above board," and indicative of honorable though erroneous views.

We know of a merchant in the interior who has had four fires, some of which were very suspicious. His last claim was outrageously exorbitant, the report of the adjusters showing that the amount claimed was largely in excess of the actual loss. The companies refused to pay the claim, but this country merchant was a shrewd character, and not to be daunted by the refusal. He appealed to his numerous San Francisco creditors, whose interests were identified with his in the full settlement of his impudently excessive claim. If it was not paid they could not expect to get their money. They, therefore, threatened to withdraw all their "patronage" from the companies if they did not pay the claim in full. These city merchants did not care a nickle whether the claim was an honest one, and all argument only made them more noisily importunate. It was an excellent opportunity for the underwriters to teach merchants that the insurance companies cannot be depended on to save country merchants from bankruptcy. But the companies lacked backbone, and had no vertebral brace in the way of board or compact regulations. The pressure was too strong. The dishonest claim was paid in full. This was a bad precedent which other claimants, aided by their city creditors, have not been slow to profit by. Perhaps the most instructive lesson to be drawn from this affair, is found in the announcement that the claimant who was so successful has since had another fire.

The Coast Fire Record for Six Months.

The following figures set forth the insurance losses on this Coast for the first six months of the present year, in San Francisco, California except San Francisco, California as a State, Oregon, Washington, Nevada and Arizona. The figures are compiled from the reports made to the COAST REVIEW, and are a reasonably correct analysis of the losses in this field. A comparison of the totals for the first six months of 1885 and the corresponding period of 1884 is made. The increase in the total loss is over $100,000, and the distribution of losses as to territory has undergone a great change. It is somewhat startling to learn that the losses in California have increased over 60 per cent. The number of fires has advanced in a like ratio. The losses in San Francisco have increased considerably, while the losses in Sacramento and Oakland are far greater. On the other hand, the losses in Oregon, Washington, Nevada and Arizona have diminished greatly. The Portland losses are nominal compared with the $91,292 for the first six months of last year. Is there any

relation between the increased losses in California and the hard times? Times are worse than a year ago, and the insurance losses have nearly doubled. In the Pacific Northwest business is improving—at least it is not nearly so bad as a year ago—and there has been a gratifying reduction in the semi-annual insurance loss. These facts are not merely coincidences.

FIRST QUARTER.

	January.	February.	March.
San Francisco	$72,341	$18,060	$15,945
California (S.F. except'd)	65,424	62,525	72,721
Total California	$137,765	$80,585	$88,666
Oregon	6,628	10,478	10,288
Washington	22,070	5,852	33,500
Nevada	5,000	...	4,450
Arizona	1,360	14,925	13,340
Total 1st quarter 1885	$172,823	$111,840	$150,244
Total 1st quarter 1884	152,363	199,616	114,569

SECOND QUARTER.

	April.	May.	June.
San Francisco	$30,025	$21,315	$32,219
California (S.F. except'd)	74,456	65,749	175,722
Total California	$104,481	$87,064	$207,941
Oregon	9,337	6,914	5,986
Washington	14,325	22,333	6,960
Nevada	.....	867	350
Arizona	2,642	36,665	1,508
Total 2d quarter 1885	$130,785	$153,843	$422,745
Total 2d quarter 1884	171,154	134,496	137,744

TOTAL FOR SIX MONTHS.

	1885		1884	
	No. Fires.	Loss.	No. Fires.	Loss.
San Francisco	78	$189,905	72	$155,704
California (S. F. excepted)	260	622,943	142	331,734
Total California	338	$812,848	214	$487,438
Oregon	44	49,631	59	179,274
Washington	44	105,040	22	141,776
Nevada	6	10,667	15	28,454
Arizona	15	70,440	14	73,000
Grand totals.	447	$1,048,626	324	$909,942

He Wants Somebody Bottled—The Southern California Insurance Company Frightens a Local Agent.

The following paragraph is taken from a letter written by an agent in the interior to a San Francisco office:

"Mr. Sigler, of the Southern California Ins. Co. of Los Angeles, has been here, and has appointed an agent, and has given him butchering orders. He is going to be a nasty factor in the business, unless their "aggregation of capital and talent" can be coaxed into the compact, for the average insuring man don't know nor care whether his indemnity is furnished by a "holy howl" with $13 surplus, like the S. C., or by a reliable company with a million of backing. What does the compact propose to do with this little pismire? Why don't you compact people cork up that diffusive COAST REVIEW? In his last number he publishes a statement showing a loss by fire in California of only 28½ per cent. of premiums, and such a statement in the hands of a man like Sigler is a stubborn fact in the face of an agent who is trying to raise last year's rates up to book 4. Bottle either the COAST REVIEW or Sigler; would prefer Sigler bottled, I guess."

That is complimentary to the COAST REVIEW. Mr. Sigler with any other insurance journal, or with the report of the Insurance Commissioner, has no terror for this agent; but when Mr. S. brings forth the COAST REVIEW as his authority, the local representative of the San Francisco compact surrenders unconditionally. The circulation of the COAST REVIEW is so diffusive that he trembles at its candor, and its statements being accepted by everybody as *ex cathedra*, in sheer despair he submits to the compact this alarming alternative: "bottle either the COAST REVIEW or Sigler." As he prefers to have the gentleman from below "bottled," we breathe more freely.

We do not sympathize with this local agent, nor with any agent who is dismayed by the silly competition of this half-organized, ill-managed Los Angeles company. Its paid-up capital is only $50,000. Its managers are not underwriters of experience, and their present loose methods will soon land the company in bankruptcy. Have agents forgotten the California Farmers Ins. Co.? The Southern California is following closely in its footsteps. Its reckless, butchering policy is the same. Its managers are equally inefficient, and apparently equally foolhardy. At least one person who was prominently identified with the California Farmers Ins. Co. holds a similar re-

lation with the Los Angeles company. The California Farmers failed ingloriously. As trifling facts are sometimes of great importance, at least constructively, we may appropriately state in this connection that the San Francisco office of the Southern California Ins. Co. is located in the office of a wild-cat co-operative life insurance association. Two old saws will occur to the reader: "Birds of a feather flock together," and "Straws show which way the wind blows."

We are surprised that the average loss ratio on the California business should be a stumbling block to any agent. Insurance companies do not and cannot safely confine their business to a limited territory. Prudence requires them to spread their risks over several States or Territories. It is the average loss in all that determines rates. The average loss ratio for the United States last year was within a fraction of 60 per cent. Most of the companies doing business in California are represented in nearly all the States of the nation. All the companies in this State do business over all the Pacific Coast. In the table which our friend finds so "stubborn" he will see that the loss ratio in Oregon was 75.4 per cent., in Washington 81.7 per cent., in Nevada 55.5 per cent., in Idaho 40.9 per cent., in Arizona 106 per cent., in New Mexico 117 per cent. In nearly all these States and Territories the companies transacted a losing business. Fortunately, these losses were made good by a profitable business in California. Probably the tables will be turned this year. The indications are that the losses in the interior will be about 65 per cent. In other words, if the present rate of burning continues in the country for the remainder of the year, business in California outside of San Francisco will be conducted at an actual loss. The losses in California have been as high as 75 per cent. of the premiums, and they may be again. California has helped to pay the losses of her neighbors, and these neighbors may soon be called upon to again help pay her losses in return. To lower the rates in California because the loss ratio has been less than the average, would be inviting disaster. It would be as sensible and fair to lower the rates in one county because the losses were less than the losses of the adjoining counties, or because the loss ratio was "only 28½ per cent." of the premiums last year.

Adjustment of Losses—Resolutions Finally Adopted.

At a recent meeting of the Fire Underwriters' Association of the Pacific, the following resolutions, regulating the adjustment of losses, were finally adopted:

APPORTIONMENT OF LOSS.

Resolved, That this Association hereby recommends the use of the Kinne rule for the apportionment of loss under non-concurrent policies, in all cases of difference of opinion arising between interested parties.

ADJUSTERS' FEES AND EXPENSES.

The following shall be the minimum charges for adjusting losses, viz.: $15 per day and expenses, when adjusting for one or more companies on one loss; $20 per day and expenses, when adjusting for one or more companies on two or more losses. "Expenses" are understood to include traveling, hotel and all necessary incidental expenses. Any excess of these charges must be by special contract, entered into by the company or companies and adjuster in each case.

CONTRIBUTION TO ADJUSTING EXPENSES.

The principle being that all cases shall be treated as if the adjuster started with papers for all the losses. It is understood that whenever and wherever an adjuster is employed in the settlement of different losses for more than one company, he shall charge to each company separately his per diem and expenses while actually engaged in the settlement of each separate loss, including his per diem and expenses while diverted from any general point of destination, while his per diem and expenses to and from said point and place of residence shall be distributed in proportion to the amount of insurance affected by the several losses adjusted by him. Whenever and wherever a special agent, on a trip for his company as

special agent, is appointed to adjust a loss for others, he shall charge to such company or companies so appointing him his per diem and expenses while actually engaged on such loss or losses—including his per diem and expenses while diverted from the nearest point on his trip to the place of loss—and one-half of his per diem and expenses to and from his place of residence and said nearest point, computed on direct time and travel thereto, distributed in proportion to the amount of insurance affected by the several losses adjusted by him.

ADJUSTERS' CLAUSE.

The so-called adjusters' clause is intended, and shall be construed to mean, to cover the per diem and expenses of one adjuster only for all companies interested; and that when all the policies upon an individual loss contain the adjuster's clause, the assured shall be chargeable for only the per diem and expenses of one adjuster, although two or more may have been employed. Where one or more policies upon an individual loss contain the adjuster's clause and others do not, the assured shall be chargeable only a pro rata amount of the adjuster's per diem and expenses for the policies having the adjuster's clause, when one adjuster acts for all companies concerned in said loss; the policies not having the same, to pay their own pro rata of said per diem and expenses. When one adjuster is employed to adjust several losses, it is not proper to collect under the adjuster's clause for each individual loss; but the expenses for all the losses shall be borne proportionately by all the policies interested, apportioned according to preceding resolutions.

AGENTS AS ADJUSTERS.

When more than one company is interested in a loss, any company not employing an adjuster but authorizing an agent to attend to the matter, shall pro rate with the company or companies sending an adjuster or adjusters in all expenses or shall not have the benefit of the work of the adjusters employed.

An assessment life insurance agent at Oswego, N. Y., has been sent to State's prison for insuring sick persons.

Duties to Local Agents.

The following article is taken from the *Argus* of Chicago. The writer, like our Red Bluff friend, also writes from the local's standpoint, and endeavors to make himself understood:

We have been reading the letters of Mr. Bruce B. Lee, of Tehama county, California, published in the COAST REVIEW, and have begun to see things in an entirely new light. Mr. Lee is certainly a bright man, and abundantly able to keep up his side of the argument, and to break a lance with all comers, but it appears to us he does not go far enough. We wonder if we could get him to subscribe to something like the following:

One of the great troubles of the insurance business is that the orders of the local agent are not implicitly followed by the managers and officers of the companies. After getting the order written in plain language and in good English, the managers first dodge and afterwards the secretary, and even the president of the company, does not do exactly as the local agent directs. Now, in the name of everything that is just, how can the stockholders expect to receive dividends as long as this state of things continues?

Disobedient managers, officers and directors are oftened rendered so by indulgent local agents, who intend to do good by allowing this kind of a thing to go on, but are aware of the painful effects only when it is everlastingly too late. Of course these managers, directors and officers have their privileges, and do not always relish being directed absolutely by the local agents, but then it is nevertheless the duty of every conscientious local to see that they do not assume too much, but are kept directly in the path they should go. The officers and managers are naturally presumptuous unless they are checked up once in a while. How often do we witness misunderstandings, and even bickerings, between the local agents and the officers of the companies, and everything going at sixes and sevens, simply because the local does not insist upon having his orders obeyed to the letter. The indulgent local first begins by first letting the manager have something to say,

and the first thing he knows, not only the manager becomes presumptuous, but the officers of the company speak up, and the directors throw off the yoke which is so becoming to them, and desire to interfere, and lastly, the stockholders become unruly, and the whole business, of course, then goes to the demnition bow-wows.

The local agent that does not keep a tight rein on the officers, will sooner or later be sure to have his gray hairs brought down in sorrow to the grave.

Managers, officers and directors who obey their local agents are among the first to obey the commands of religion, and lead a moral and proper life. What a wise adage it is, the old one—"Bring up the officers and managers in the way they should go, and when they are old they will not depart from it." Obedient managers and officers make useful men when they grow up, and disobedient directors, who do not live up to the maxims laid down by the locals, are sure to have a bad end, and come to a great punishment sooner or later.

President C. T. Hopkins.

The resignation of President Hopkins, of the California Insurance Company, of this city, to take effect on August 1, as announced in the July COAST REVIEW, has been accepted by the board of directors, but the resignation is not to take effect until January 1. In the meantime, President Hopkins is granted a six months' leave of absence, the directors in that delicate way complimenting the retiring President, and presenting him with a substantial testimonial of their appreciation of his long and faithful services.

Mr. Hopkins has been actively connected with the insurance interests of this city for nearly thirty years. He was one of the founders of the San Francisco Board of Marine Underwriters, and has been its Secretary since its organization, twenty years ago. In 1858, while with McLean & Fowler, insurance agents, he established the first general marine insurance agency. In the spring of 1861, he organized the California Mutual Marine Insurance Company. This was the first local marine insurance company, and Mr. Hopkins was its first Secretary. In 1864, the corporate name was changed to the California Insurance Company, and the field of fire insurance was entered. In 1866, Mr. Hopkins was elected to the Presidency of the company, and has since held that position continuously.

As an underwriter, Mr. Hopkins has always been zealous, conservative and full of energy. As a citizen, he has been public spirited and influential. He suggested and assisted in the organization of the Ship Owners' and Merchants' Tug-Boat Co., as a relief to the shipping interests of this port from the exactions of an oppressive monopoly. He has prepared several elaborate reports on the revival of American shipping, one of which was adopted by the Board of Trade three years ago, and is recognized in many of the provisions of the Dingley law. For many years he compiled and published the California Wreck Register, a valuable work designed to determine correct premium rates, but finally discontinued for want of proper assistance. He wrote and published several pamphlets on ship-building on the Pacific Coast, and procured the framing and publication of the specifications for the construction of vessels of Pacific Coast timber (by the marine surveyors of the port). He was instrumental in bringing about the first convention of underwriters and ship owners, in 1863, which formulated the rules and customs of San Francisco for the adjustment of marine losses. He was among the foremost in the work of organizing the Pacific Insurance Union, and the perfection of that organization is largely owing to his patient and laborious devotion to the details of its rules and regulations. In many other ways, any abridged account of which would be impossible, Mr. Hopkins has contributed greatly to the business and underwriting interests of San Francisco.

At 12 o'clock, on the 31st of July, about fifty of our most prominent business men met at the rooms of the Board of Marine Underwriters, to join in an acknowledgment of the services of Mr. Hopkins to the commercial, shipping and underwriting interests of the city, and to express their regrets over his retirement from business and

removal from the city. Gustave Touchard, President of the Marine Board of Underwriters, spoke feelingly on the subject of Mr. Hopkins' retirement, and called for the resolutions of the committee appointed to draft them. President Taylor of the Sun Insurance Co., chairman of the committee, read the resolutions, which embraced a summary of the services of Mr. H. during his long and active career as underwriter. A brief complimentary presentation address followed, after which in behalf of the Board, Mr. Taylor presented the retiring Secretary with a beautiful solid silver set of five pieces, and the report of the committee engrossed. Mr. Hopkins responded in his usual felicitous manner. In a speech by Capt. J. E. Thayer, the services of Mr. Hopkins in trying to revive American shipping was referred to specially. Speeches were made by D. J. Staples, A. S. Hallidie, Wm. T. Coleman, Henry L. Dodge, President of the Chamber of Commerce, J. B. Stetson, and others, and W. J. Callingham sang a song of his own composition.

The Caledonian Insurance Company.

This old Scotch company has entered California and appointed Messrs. Balfour, Guthrie & Co. its general agents. From the statement printed in this month's COAST REVIEW we gather the following particulars as to the business and resources of the company: Cash capital, $450,000; assets, $1,555,312; net surplus, $826,546; fire premium income last year, $509,237.

The Caledonian is the oldest Scotch insurance company. Its fire business was begun in 1805, but it is only within the last ten or fifteen years that the company has made any special effort to procure new business. In 1853 the premium income was only $45,000. Twenty years later it was $110,000. In the last eight years, under the present manager, the premiums have rapidly increased, and are now over half a million. There has been a corresponding increase of assets. The average loss ratio during its long career has been a fraction less than 60 per cent. The losses last year were 60 per cent. of the premium income, which was less than the average loss ratio of British fire offices. Three-fourths of the premium income of the Caledonian has been drawn from its home business.

Messrs. Balfour, Guthrie & Co. and Manager Spencer are to be congratulated upon the addition to their agency of this excellent company, with its million and a half assets and a handsome net surplus of $826,546.

The Pacific Surety Company.

This new enterprise has completed its organization, and is now ready for business, the Insurance Commissioner having granted the requisite certificate. Of the $100,000 cash capital subscribed, $25,000 has been paid in, as required by law, and the remainder will be paid in quarterly installments. The company begins its career with excellent prospects. Its officers are efficient and energetic men, and its board of directors includes a number of the leading business men of the State. There is a general appreciation in business and legal circles of the high value of fidelity insurance, and the growing demand for reliable surety as supplied by such companies is extending to various pursuits. The opportunities for the usefulness of this form of insurance cannot yet be fairly estimated, as it is still in its infancy, but enough is known to warrant the prediction that the fidelity companies now in existence in this country can extend their business indefinitely, with liberal profit to themselves and incalculable benefit to the public. The Pacific Surety Company enters the field properly equipped and ably managed, and it is therefore merely stating a self evident fact to say that its success is assured.

Wallace Everson, the President of the company, is well known on this Coast as a successful and go-ahead business man and underwriter. His thirty years' experience in business and insurance circles is an ample guarantee of the ability of the management and the stability of the company.

A. P. Redding, the general manager, ranks high as a responsible business man. He is energetic and experienced, and has a wide acquaintance with the business men of this State.

The Business of British Fire Offices for 1884.

The following table of the premiums and losses, and the loss and expense ratios of forty-four fire offices of the United Kingdom, for 1884, is taken from the *Post Magazine* of June 27. The reader should bear in mind that the premium and loss figures refer to pounds, not dollars:

	Premiums less Re-insurances.....	Losses.....	Percentage to Premium Income of.....	
			Losses.	Expens
	£	£		
Alliance	357,427	181,064	50.6	31.9
Atlas	105,712	59,289	56.0	26.6
British Re-insurance	64,867	61,334	94.5	29.4
Caledonian	101,848	61,286	60.1	32.7
Church of England	5,463	2,395	43.8	47.1
City of London	307,031	215,935	70.3	31.2
Commercial Union	823,477	584,784	71.0	31.1
Co-operative	3,452	461	13.3	—
County	223,337	118,065	52.8	—
Equitable	53,677	37,678	70.1	27.7
Equitable Guarantee and Accident	18,644	13,594	72.9	—
Essex and Suffolk Equitable	21,218	8,551	40.3	23.5
Federative	2,797	914	32.7	13.0
Fire Insurance Association	304,559	248,653	81.6	33.6
General	80,461	50,596	62 8	38.0
Guardian	423,439	275,216	64.9	30.0
Hand-in-Hand	62,027	53,530	86.3	24.8
Imperial	792,160	502,758	63.4	31.0
Kent	79,608	49,573	62.2	26.0
Lancashire	572,147	395,490	69.1	28.1
Law	108,736	47,731	44.0	28 1
Law Union	44,321	24,402	55.0	29.3
Lion	174,715	112,038	64.1	32.4
Liverpool and London and Globe	1,280,222	790,480	61.7	30.0
London and County (late Starr-Bowkett)	2,939	816	27.7	62.6
London and Lancashire	491,315	324,272	66.0	32.0
London and Provincial	195,911	137,498	70.2	35.0
London Assurance	288,981	187,967	65.0	32.3
Manchester	279,116	176,715	63.7	28.9
Mutual	279.332	207,234	74.2	29.8
National of Ireland	166,028	95,606	57.6	25.6
National	31,767	17,140	53.9	41.2
North British and Mercantile	1,114,069	704,357	63.2	30.7
North of England	3,609	599	16 5	53.9
Northern	573,190	376,659	65.7	31.4
Oak	161	Nil.	—	288.2
Queen	565,883	388,926	68.7	30.3
Royal Exchange	142,466	70,756	49.6	27.9
Royal Farmers (includes Hail)	40.187	17,923	44.6	28.1
Scottish Provincial	42,241	19,930	47.2	29.3
Scottish Union and National	204.811	127.253	62 1	28.1
United Fire Re-Insurance	270,788	211,526	78.1	28.2
West of England	95,297	65,394	68.6	28.8
Yorkshire	75,380	48,623	64.5	24.4

The Universal Accident Indemnity Co. of San Francisco.

We have received the following inquiry, just as we go to press:

What kind of an outfit is the "Universal Accident Indemnity Co.," temporary office 331 Montgomery St., room 28, incorporated June 22, 1885? Alleged capital, $100,000—have they got it, and does the concern amount to anything?

In the brief time at our disposal for an investigation we have learned enough to justify us in informing our readers that we cannot recommend the Universal Accident Indemnity Co. as worthy of the confidence of the public. We do not know whether any of the capital has been subscribed or paid up. The company has no authority from the Insurance Commissioner to transact business in California. Charles Graham, the President of the company, has not such a reputation as would inspire stockholders with confidence in his ability as a manager, nor would his reputation persuade men of means to invest in any enterprise for which he stood sponsor. His co-worker in the work of organizing the company, Jas. M. Stuart, is a man of notoriously bad reputation, and Mr. Graham knew that all along. E. D. Wheeler, the advertised Treasurer of the company, is a highly respected citizen and a prominent lawyer of San Francisco, but he has evidently been misled into the use of his name without due investigation. Until the Universal Accident Indemnity Co. puts up $25,000 in cash, as required by law, and receives authority from the Insurance Commissioner, we advise our readers to let the company alone. The law requires $100,000 cash capital, of which $25,000 must be paid before authority is granted, and the remainder in nine months. The Insurance Commissioner recently informed the projectors of this enterprise that "good notes" would not pass the Department as cash capital.

FIRES.

May 30, Portland, Or., general merchandise:

Commercial.....$626

June 15, Portland, Or., dwelling:

Commercial.....$168

June 20, Merced, Cal., general merchandise:

Commercial.....$287

June 20, Sacramento, Cal., brick building:

Helvetia.....$682

June 26, Stockton, Cal., chicory factory:
Commercial $1,212

July 18, Sacramento, Cal., dwelling:
Phenix, Brooklyn $307

July 2, San Francisco, building: etc.:
State Investment $175

July 5, Oakland, Cal., tannery:
New Hampshire $877
Allemannia 877
Fire Ins. Ass'n, London 877
Germania, N. O 877
New Orleans 877
Teutonia 877
Phenix, Brooklyn 1,754
American, Phila 1,754
Amazon 877
Total $9,647

July 21, Billings, W. T., general merchandise:
Hartford $500
California 300

July 4, Oakland, Cal., dwelling:
Home & Phœnix $286

July 30, Reno, Nev., dwelling:
Commercial Union $700
Firemans Fund 1,000

July 10, Yolo Co., Cal., barn and contents and dwelling:
Ins. Co. of N. A $60
Agricultural 739

July 24, San Francisco, hardware:
Transatlantic $112

July 27, Los Angeles, Cal., stoves and tinware:
Ætna $879

July 22, Eureka, Cal., general merchandise:
Commercial Union $750

July 30, San Francisco, building:
Oakland Home $385

July 9, San Francisco, wood work:
Transatlantic $500

July 31, Los Angeles, Cal., frame building:
Hamburg-Magdeburg $600

July 20, Washington Territory, hotel:
Phenix, Brooklyn $2,500
American, Philadelphia 1,500

July 19, Tombstone, A. T., frame boarding house and furniture:
Scottish Union $566
National, Hartford 566
Teutonia 479
Fire Ins. Ass'n, London 479

July 18, Sutter county, Cal., separator, etc.:
Oakland Home $411

July 23, Sprague, W. T., dwelling and furniture:
London & Lancashire $500
North British & Mercantile 500

July 9, Oakland, Cal., furniture:
Guardian $175

July 13, San Francisco, stock in brick building:
City of London $1,000
South British & National 1,000

July 17, San Francisco, frame building:
Imperial, London, Northern & Queen $120

July 19, Biggs Station, Cal., grain warehouse:
Phœnix, London $723
Western, San Francisco 723
Pacific 1,415

July 6, Portland, Or., dwelling and contents:
Guardian $475

July 10, Fresno county, Cal., grain:
Oakland Home $1,300

July 4, San Francisco, household furniture:
Manchester $342

July 11, Traver, Cal., growing grain:
Orient $337

July 31, Deming, N. M., restaurant:
Firemans Fund $275

July 22, Traver, Cal., dwelling, etc.:
Oakland Home $1,300

July 20, Puget Sound, W. T., steamboat:
Phenix, Brooklyn $5,000

July 11, Portland, Or., frame hotel:
Scottish Union $80

July 10, North Bloomfield, Cal., dwelling and furniture:
Firemans Fund $1,371

July 23, Alameda, Cal., car stables:
London and Northwestern $372
Western, S. F 3,023
New Orleans 1,033
Fire Ins. Ass'n, London 1,033
Total $5,461

July 31, Seattle, W. T., frame boarding house:
State Investment $1,000
Sun 1,000

July 29, Portland, Or., hotel:
Union, S. F. $600

July 10, Eureka, Nev., boarding house:
Shoe & Leather $680
Oregon 680

July 8, Union Co., Or., dwelling:
Phenix, Brooklyn $1,383

July 8, San Francisco, brick building:
California $129
Union, N. Z 129

July 27, Solano Co., Cal., dwelling:
Royal, Norwich Union & Lancashire $700

July 23, Williams, Cal., general merchandise:
Ætna $654

July 2, Yolo Co., Cal., barn and contents:
Insurance Company of North America $600

July 14, Olympia, W. T., furniture:
Oakland Home $500

July 2, Visalia, Cal., Church:
Pennsylvania, of Philadelphia $600

July 2, Visalia, Cal., livery stable:
London & Lancashire $1,000
Manchester 1,000

July 6, Los Angeles Co., Cal., grain in field:
Four companies $460

July 13, Los Angeles, Cal., dwelling:
German-American $365

July 2, Williams, Cal., general fire:
Commercial Union $4,000

July 8, San Francisco, brick building:
Prussian National $1,481
Providence-Washington 494

July 8, Hanford, Cal., building:
Scottish Union $106
National, Hartford 106

July 9, San Francisco, frame building:
Springfield $750

July 15, Idaho, dwelling:
Royal, Norwich Union & Lancashire $1,000

July 29, San Francisco, frame buildings:
Amazon $341
Pacific 341
Niagara 409

July 29, Placer co., Cal., frame barn:
Home Mutual $500

July —, Los Angeles, dwelling:
Liverpool & London & Globe $191

July 8, Fresno, Cal., grain:
Oakland Home $1,300
Ætna 1,263
Hartford 1,263

July 22, Williams, Cal., frame blacksmith shop:
Liverpool & London & Globe $500

July 28, Williams, Cal., liquors:
Western, S. F. $375

July 2, Azura, Cal., growing grain:
Lion $500

July 19, Jamestown, Cal., dwelling:
Phenix, Brooklyn $150

July 8, Fort Benton, M. T., general fire:
California $2,500
North British & Mercantile 2,500
Phœnix, London 1,500
Fireman's Fund 2,500
Total $9,000

July 14, Redding, Cal., hotel:
Manchester $1,000
London & Lancashire 1,000
American, N. J 1,000
London & Northwestern 500
Germania 1,000
New Orleans 1,000
Fire Ins. Ass'n, London 1,000
Continental 1,000
Total $7,500

July 1, Tacoma, W. T., dwelling and furniture:
Orient $1,371

July 13, San Francisco, general merchandise:
Phenix, Brooklyn $167

July 20, Oakland, Cal., dwelling:
Phenix, Brooklyn $1,000
State of Penn 1,000
Connecticut 2,000
Security 1,000
Howard 1,000
Bowery 1,000
Hartford 2,000
Total $9,000

July 16, Seattle, W. T., dwelling:
Connecticut $1,000

July 10, Tulare Co., Cal., growing grain:
California $450

July 25, Portland, Or., frame building,
Imperial, London, Northern & Queen $996

July 14, San Francisco, frame building:
State Investment $228

July 24, Astoria, Or., dwellings:
Royal, Norwich Union & Lancashire $780

July 5, San Francisco, dwelling:
State Investment $1,000

July 14, Colusa, Co., Cal., barn and hay:
Hartford $307

July 31, Santa Clara Co., Cal., frame dwelling:

Home Mutual	$6,000

July 4, Livermore, Cal., general merchandise and building:

Home & Phœnix	$257
Manufacturers	256

July 13, Seattle, W. T., general merchandise:

National, Ireland	$1,100
Lion	550
Orient	550
Home & Phœnix	200
National, Hartford	100
Phœnix, London	1,100
Western, Toronto	730

July 14, Colusa, Cal., dwelling:

Commercial Union	$260

July 14, San Francisco, dry goods:

Phœnix, London	$2,700

July 3, Truckee, Cal., general fire:

North British & Mercantile	$240
Firemans Fund	1,060
Fire Ins. Ass'n, London	390
Firemans, N. J	250
Teutonia	700

July 8, Guerneville, Cal., general merchandise, buildings, dwelling and furniture:

State Investment	$150
Hamburg-Bremen	1,800
Manufacturers	2,000
Scottish Union	1,200
Merchants, N. J	1,000
Union, Phila	1,000
Springfield	1,000
German, Ill	1,000
Firemans Fund	350
American Central	160
Total	$9,660

July 7, Mission, San Jose, Cal., dwelling:

Oakland Home	$500

July 13, Suisun, Cal., barn:

American Central	$400

July 13, San Francisco, mattress factory:

Manufacturers	$2,000
New York Underwriters	589
Ætna	4,490
Union, S. F	822
National, Ireland	1,000
Total	$9,901

July 30, Sacramento, Cal., dwelling:

Manufacturers	$305

July 9, San Francisco, brick building:

Phenix, Brooklyn	$128

July 16, Stanislaus Co., Cal., hay:

Phenix, Brooklyn	$750

July 18, Tulare Co., Cal., grain:

Oakland Home	$133

July 22, Tulare Co., Cal., grain:

Oakland Home	$446

July 6, Tulare Co., Cal., grain in field:

London & Lancashire	$519
American, N. J	519
North British & Mercantile	530
German American	795
Scottish Union	835

July 4, San Francisco, boots and shoes:

Pacific	$402
Niagara	402
American Central	402

July 16, San Francisco, lumber:

Western, S. F	$2,375

July 14, Portland, Or., frame dwelling:

Home Mutual	$450

July 20, San Francisco, dwelling and contents:

Western	$500

July 5, Carson, Nev., general fire:

Connecticut	$1,516
Home & Phœnix	1,500
Shoe & Leather	975
Guardian	800
Phœnix, London	285
Oregon	975
Western, San Francisco	1,641
Total	$7,692

July 2, near Orland, Cal., granary:

Western, San Francisco	$1,376

July 20, Napa, Cal., barn and tank:

American Central	$300

July 9, San Francisco, general fire:

Imperial, London, Northern & Queen	$659
Home & Phœnix	5,900
New York Underwriters	1,975
City of London	950
South British & National	950
Oakland Home	1,475
Traders	425
North German	1,000
Union, San Francisco	1,900
National, Ireland	2,466
New Zealand	4,979
Germania, N O	1,000
Fire Insurance Association, London	1,900
New Orleans	1,900
St. Paul	1,000
Firemen's, Baltimore	2,000
Citizens'	1,000
Total	$26,169

July 9, Olympia, W. T., saloon:

Boatman's	$ 467
New Orleans	830

July 5, Oakland, Cal., frame dwelling:

Home Mutual	$1,000

July 30, Seattle, W. T., stock of liquors:

New Orleans	$ 500

July 24, Woodland, Cal., dwelling:

Connecticut	$600

July 18, Butte county, Cal., sawmill:

Fire Insurance Association, London	$ 949
New Orleans	949

July 13, Seattle, W. T., stock of liquors:

Teutonia	$ 100
Firemen's, N. J	100

July 13, Eureka, Nev., saloon:

Fire Insurance Association, London	$ 360
Teutonia	360
Allemannia	360
New Orleans	360

July 14, Oakdale, Cal., general fire:

Manchester	$ 515
London & Lancashire	515
Ins. Co., of North America	267
American, N. J	152
Manufacturers'	1,000
Phœnix, London	600
Western, Toronto	150
British America	400
Bowery	800
Howard	1,000
Home & Phœnix	1,950
Lion	150
Royal Norwich Union & Lancashire	305
Western, S. F.	1,334
American Central	900
Pacific	534
Northwestern	900
Continental	796
Fire Insurance Association, London	600
Total	$12,868

July 8, San Francisco, shirt factory, etc.:

Connecticut	$1,383
Imperial, London, Northern & Queen	3,319
Home & Phœnix	3,319
Phœnix, London	2,766
Western, Toronto	3,320
British America	2,766
Commercial Union	3,300
Manchester	1,936
Scottish Union	1,283
National, Hartford	1,283
Royal, Norwich Union & Lancashire	4,989
Niagara	692
Northwestern National	692
Liverpool & London & Globe	3,319
St. Paul	236
Total	$34,703
Grand Total	$225,180

CHIPS.

—Messrs. Wheeler & Busch, Boise City, Idaho, have been appointed general agents for Idaho for the Pacific Mutual Life and Accident Insurance Co.

—H. C. Swain, a well known business man of this city, has joined W. G. Elliott in the city agency of the Lion, Orient and Washington insurance companies.

—The quartz mill belonging to the Bonanza King mine, in San Bernardino county, was totally destroyed by fire on the 1st inst. The insurance was $50,000, placed in this city.

—The Hartford Steam Boiler Inspection and Insurance Co. has sent out a large lot of very handsome signs to their agents, Messrs. Hutchinson & Mann, for distribution in this field.

—The Southern California Insurance Company's little office in the basement on Montgomery street has a back-door entrance from a dark alley. It is not believed that any of the Union listed brokers will take advantage of the dark alley entrance.

—J. S. Wilson, son-in-law of the late Gen. C. I. Hutchinson, has purchased an interest in the firm of Messrs. Hutchinson & Mann. Mr. Wilson is an energetic young man, and is well and favorably known in the business circles of this city.

—Geo. W. Wickes, late of Michigan, has formed a co-partnership with F. T. Hoyt in the San Francisco agency of the Oakland Home Ins. Co., under the firm name of Hoyt & Wickes. These gentlemen have also been appointed city agents of the Connecticut Fire Ins. Co. Their office on California street has been handsomely refitted.

—Wm. Wood, United States manager of the United Fire Re-insurance Co. of England, is visiting this Coast and will make a thorough inspection of the principal cities and towns from the underwriter's standpoint. The United Fire has complied with the laws of nearly all the States, including California. The company has assets to the amount of $856,652 invested in the United States. Hutchinson & Mann are agents for the Pacific Coast.

—The Knights of Honor *Reporter* says there have been many defaulters among the State receivers of the A. O. U. W. A rascal has as a good chance in the latter society as in any.

—The semi-annual statement of the New Hampshire Fire Insurance Company shows a satisfactory increase in both assets and net surplus. On July 1st the assets were $1,045,166, a gain of over $31,000. The net surplus is $216,498, a gain of nearly twenty-five hundred.

—At the July meeting of the board of directors of the Western Fire and Marine Ins. Co. of this city, Geo. W. Sessions was elected Secretary of the company, *vice* R. G. Brush, resigned. Mr. Sessions has been a stockholder and director of the company.

—Local agents throughout the Coast are hereby notified that the standard short rate scale adopted by the Western Union of Chicago is not used by the Pacific Insurance Union. Its publication in the COAST REVIEW Chart has misled many Coast agents into computing premiums for less than a month, which is not the practice on this side of the Rockies.

—The receipt of the following publications is hereby acknowledged: *U. S. Review* Philadelphia Insurance Chart; Illinois Life Insurance Report, 1885; Iowa Insurance Report, 1885; Massachusetts Life Insurance Report, 1885; *Spectator* Year Book, 1885; *Present*, a Cincinnati dollar monthly; Michigan Insurance Reports, 1885; *Chronicle* Fire Tables, 1885; *Record* Insurance Directory of New York City and vicinity, 1885; Minnesota Insurance Report, 1885.

—All the principal business houses in San Francisco are draped in mourning for the death of General Grant, but none equal the decorations of many of our insurance offices. Among the more noticeable decorations of the latter are those of W. J. Callingham, the State Investment, the Firemans Fund, the Liverpool & London & Globe, the New Zealand, the Sun, and Newhall & Co. All the other offices are appropriately embellished with the emblems of mourning, and vie with the average in taste and profusion.

—In Dallas, Texas, there is a colored assessment life insurance association, called the Seven Stars of the Mysterious Ten and the Daughters of the Sepulcher. This title is far more original and impressive than the title of any of our white hat-passers.

—A meeting of the local agents of the State has been called, to be held at Stockton on September 15, for the purpose of forming the Local Fire Insurance Agents' Association of California. An earnest invitation is extended to all professional agents in the State. Provisions have been made for the entertainment of all. The design is to organize an association which shall promote the interests of the regular or professional local agents. Such an organization, if properly conducted, would doubtless serve the general interests of underwriting, as well as the special interests of local agents. Its purposes should be educational as well as protective.

—The operations of the Southern California Insurance Company outside of the compact appears to have alarmed a few of the more apprehensive local agents, who imagine that the little rattle-brained affair is about to smash the Union to smithereens and divert a goodly share of commission from the pockets of loyal agents. They may speedily banish their fears in both respects. Do they forget that the Board of Underwriters maintained its rates when there were thirty-five or more companies on the outside? Now there are 102 members of the Union, and one little company with a free lance, plenty of inexperience and only $50,000 in cash. Supposing this wild outsider does pick up fifty or a hundred thousand dollars in premiums by a foolish cutting of rates, what will that amount to in a business of over six million? About one or one and one-half per cent. Well, surely there is nothing discouraging in that to the most faint-hearted. If the companies, the Union and agents will ignore the Southern California Ins. Co. it will soon run its unbusiness-like career. Give it rope enough and it will soon hang itself with inadequate rates. As a rule, only undesirable risks seek the "cheap" insurance offered by the Los Angeles company.

—Fifty-three fire insurance companies doing business in New Hampshire have signed an agreement to withdraw if the valued policy-bill becomes a law. Have they the backbone?

—H. T. Ames, an experienced life underwriter from New York, has been appointed superintendent of agencies of the California department of the United States Life Insurance Company. Mr. Ames was for several years a resident of Canada.

—The statement of the American Steam Boiler Insurance Company, made July 1, 1885, shows gains for the six months. The assets are now $278,877, the reinsurance reserve is $60,046, the liabilities are $66,630, making the surplus to policyholders $212,247.

—A meeting of representatives of the Pacific Coast fire offices and the Western Union of Chicago has been called for the 10th of this month, to meet at Helena, Montana, to establish a sort of Mason and Dixon line through that territory in which business is transacted by agents reporting to both San Francisco and Chicago. This territory embraces portions of Idaho, Montana, Utah and Arizona. As the practices of the two cities vary in some important particulars, there is more or less confusion resulting from the conflicting requirements. The joint meeting will endeavor to decide upon some dividing line to obviate the difficulty. C. P. Farnfield and Geo. F. Grant represent the underwriting interests of this city.

—In describing the fire at Carson, Nev., on the evening of July 5, a local paper says that the various fire companies made connections with the hydrants within a few minutes, but there was no force to the water works. As soon as the feeble streams came out of the nozzles, the cry of "no water" was passed along the line. The fire therefore spread rapidly. The hose was so rotten that it frequently burst, and the engine had to "slow down." The insurance was comparatively light. The property loss was about $50,000. One man reduced his policy from $8,000 to $2,000 a few days before the fire, and another man failed to renew his policy when it expired, four days previous.

—Elizur Wright, the venerable actuary, whom our co-operative friends delight to quote, says that assessment companies are multiplying "far beyond the possibility of most of them coming to a living maturity." They won't quote that.

—Dr. J. P. Peck, of Los Angeles, was in the city last month. Dr. Peck is general agent of the Union Central Life Insurance Company, of Cincinnati, for Southern California. He was formerly an officer of the company.

—A Mrs. Miller has been arrested on a charge of setting fire to her restaurant, at Oakdale in this State. She and her husband swore that they lost ninety dozen napkins—an extraordinary number for so small a restaurant. Other articles which they claimed to have been burned were afterwards found in their possession. They voluntarily surrendered their policies, and entreated the adjusters to let them alone. This incendiary fire destroyed exposed property to the amount of $50,000.

—The numerous friends of the fair bride among the adjusters and specials who used to visit Tombstone, A. T., will read with lively interest and in a spirit of warm congratulation the following marriage notice:

At Tucson, on the 19th inst., the Rev. Mr. Robinson of the M. E. Church officiating, Mr. Louis L. Richubaugh, the well-known banker of that place, was married to Mrs. Emma Howe Russell, the talented and accomplished daughter of Mr. J. Leland Howe of Sacramento.

—At the recent meeting of the grand lodge of the Ancient Order of United Workmen, of California, the finance committee referred to one official as follows:

Your committee regret to report that they do not find the business of the Grand Recorder's office conducted in a manner which is necessary to the safety and security of the order, and find a lack of system and a great degree of inefficiency. The Grand Recorder has, during the period when the general fund was exhausted, drawn warrants against this fund, and has turned these warrants over to the Grand Receiver as cash, taking the money which came into his hands on beneficiary fund account to pay these warrants, thus absorbing the money belonging to the beneficiary fund for other purposes.

A "whitewashing" report was subsequently made, and the "inefficient" Grand Recorder still holds the fort.

—A very useful and interesting little publication is the *Insurance Record's* Insurance Directory of New York, Brooklyn and Jersey City.

—The Mercantile Accident and Guarantee Co. has been organized in Glasgow. Of the thirteen similar companies in Great Britain, the lowest dividends paid are 5 per cent.; the highest are 25 per cent.

—With the compliments of the Accident Ins. Co. of North America comes a handsome picture of the Montreal Ice Castle. The reported burning of this ice palace, as printed in an American paper, actually provoked the indignant denial of a Kanuck journal.

—The Handy Assurance Guide for July, by Wm. Bourne, Liverpool, has been received. According to its table the "costs per cent. on the life premium income" of the British life offices varies from 3.92 to 62.25. The company having the largest life and annuity assets is the Scottish Widows' Fund, with $43,015,000, and a premium income of $3,530,000.

—A citizen of Baltimore has lately made experiments to prove the possibility of obtaining an echo from an iceberg, when in dangerous proximity to a ship. He believes that so small a surface as a floating wreck will give an echo, and thus be detected during a fog in time to prevent a collision. He used for his experiment a musket, to the muzzle of which a speaking trumpet was attached. The gun was pointed at passing vessels, while blank cartridges were being fired. An echo was returned after each shot.

—A decree was recently issued in the Chicago University case in favor of the heirs of Stephen A Douglas. This decision does not in any way effect the rights acquired by the Union Mutual Life of Maine, but merely gives the heirs the right of redemption. The University was sold last May to the company for $270,000, under a mortgage for $320,000. The Douglas heirs, thinking the property of far greater value, purpose raising funds to redeem it, and as a necessary preliminary step filed a bill against the University for a decree of forfeiture.

—New York has 700 electric alarm boxes; London has only 283.

—At a meeting of members of the Masonic Relief Association of New York, held at Buffalo the other day, a change was made in the constitution and by-laws, by which the methods of assessment will be changed from the "flat" to a graded plan. The revised table of assessments as approved, makes the assessments range from 67 cents for a man 21 years old, to $2.88 for a man of 60. They had to adopt the graded plan of assessments or shut up shop.

—The semi annual statement of the Oregon Fire and Marine Ins. Co., makes the following exhibit: assets $292 341; net surplus $34,396; six months' premiums $28,271; six months' losses $8,195. The gain in assets is $23,353; in net surplus the gain is $16,213. The company makes a good showing.

—The Chicago Fire Underwriters' Association has decided to extend its jurisdiction so as to cover the whole of Cook County, and by a vote of 36 to 6, amended its constitution so as to limit the membership to those whose "principal" business is fire insurance. This shuts out real-estate men, loan agents, lawyers, etc., but lets in the sub-agents and brokers who make their living by soliciting insurance.

—The tables covering a quarter of a century of American life insurance, which we print elsewhere, are an admirable exhibit of the growth and extent of life insurance, and the economy of management of the old-line companies. In the twenty-five years the income from investments of the companies reporting to the New York Department has been $387,472 164, while the expenditures for taxes, commissions and other expenses have been only $283,340,546. In this period the total premium receipts have been $1,407,794,570, and the total payments to policyholders $984,760,644. The total assets are now $491,487,719, making the amount returned to policyholders and held in trust for them $68,452,793 more than the total premium income. The twenty-nine companies doing business in New York show a gain of $19,681,799 in assets, a gain of $1,513,098 in surplus, and a gain of $4,694,145 in premiums.

—Correspondents should be accurate, fair and courteous.

—The breaking of a clock cord causing the weight to fall upon and ignite a box of matches lying on the bottom of the clock, recently caused a fire in Crawfordsville, Ga.

—That story about the woman at a crowded Patti matinee in San Francisco, who was going to yell fire if the policeman persisted in making her get out of the aisle, has been remodeled and is on its way around the world as a fresh anecdote. The scene is now laid in a Glasgow theatre, and the woman is about to be ejected for dodging the ticket taker. If some centenarian will step froward, we may learn the probable age of this new story.

—In the death of General Grant the country loses its most eminent citizen and greatest commander. The hearty and universal expression of mourning, North and South, is grateful evidence of the growth of patriotic sentiments and decline of partisan rancor. Men now judge the dead General with due charity for his failings, with respect for his virtues, with admiration for his military genius, and with gratitude for his inestimable services to the great republic.

—At Philadelphia, Judge Biddle, in an opinion, has settled an interesting dispute over $40,000 worth of insurance policies on the life of Philip J. Lauber. The Pennsylvania Company for Insurance on Lives loaned $35,000 to Lauber on a first mortgage covering his brewery, at Broad and Columbia avenue, and took the policies as collateral. Subsequently they loaned $20,000 on a second mortgage. Meanwhile Lauber had borrowed money from the Clausen Brewing Company and assigned the policies to them as collateral, subject to the lien of the Pennsylvania Company for the satisfaction of their first mortgage. In November last the company foreclosed on this mortgage, and the property was sold for $44,000. The brewing company demanded the policies, but the trust company claimed the right to hold them to satisfy the second mortgage. Judge Biddle decided in favor of the brewing company.

—The local agents of the Southern California Ins. Co. introduce themselves to merchants by—"Do you want some cheap insurance?" The reply is generally, "No."

—The Kansas branch of the Texas Self Endowment and Benevolent Association has seceded. The Kansas fellows thought six assessments were a few too many, and so they very coolly repudiated their obligations to the parent organization. Is the California branch of this contemptible Texas fraud still alive?

—The fire losses in this country since January 1st, by months, are estimated in round numbers as follows:

January	$8,500,000
February	10,000,000
March	9,000,000
April	7,800,000
May	8,700,000
June	6,800,000
Total	$50,800,000

—A. Bretz has resigned the assistant managership and general agency of the Southern California Insurance Company, "not wishing to sail under false colors." Mr. Bretz, after due investigation, found that the company was officered and directed by inexperienced and incompetent men. A due regard for his own "underwriting reputation" prompted him to cut short his business relations with the Southern California.

—The annual report for 1885 of the New York Board of Fire Commissioners contains this table, showing the number of fires, aggregate loss, and average loss per fire, in each year since 1866:

Year.	No. of fires.	Loss by fire.	Avg. loss per fire.
1866	796	$6,428,000	$8,075 38
1867	873	5,711,000	6,541 81
1868	740	4,342,000	5,867 57
1869	850	2,696,393	3,172 23
1870	964	2,120,212	2,199 39
1871	1,258	2,127,356	1,691 06
1872	1,649	2,891,818	1,753 67
1873	1,470	4,022 640	2,736 48
1874	1,355	1,430,306	1,055 58
1875	1,418	2,472,536	1,743 67
1876	1,382	3,851,213	2,786 70
1877	1,450	3,210,695	2,214 27
1878	1,664	1,884,505	1,139 36
1879	1,551	5,671,580	3,658 72
1880	1,783	3,183,440	1,785 44
1881	1,785	5,820,259	3,260 55
1882	2,001	4,195,960	2,096 43
1883	2,169	3,512,848	1,619 37
1884	2,406	3,474,547	1,444 12
Total, 19 years	27,554	$69,047,308	$2,505 89

—Geo. T. Hope, President of the Continental Fire Ins. Co. of New York, died on the 27th ult. Mr. Hope has been a prominent underwriter for thirty years.

—Oakdale, in this State, has had two destructive fires within a month, both of which appear to have been of incendiary origin. It is stated that at the last fire "the waterworks refused to furnish water and the fire burned unchecked."

—The A. O. U. W. pretends to be a benevolent organization, but it never gave a dollar to the destitute family of Majors, who was long a member of the society. The order is simply a hat-passing insurance company, the primary object or which is to pay its officials good salaries.

—The annual meeting of the policyholders of the Northwestern Mutual Life Insurance Company was held in Milwaukee last month. The aggregate amount of insurance represented by those in attendance was over ten million dollars. There was only one ticket placed in nomination. It was selected by a joint committee of ten—five from the agents' association and five from the old board of trustees. The old officers were re-elected. The "banner" agent was D. E. Murphy of Milwaukee, who wrote 226 policies last year, representing $854,000 insurance, the premiums on which were $36,600.

—The late District Secretary of the Ancient Order of Foresters in this city is on trial for embezzling the funds of the order. It is queer how many rogues handle the moneys of beneficiary associations. Perhaps it is not so queer, either, for otherwise many of these "fraternal" parasites would not be organized.

—The Sanborn Map Company are now surveying the towns and cities in British Columbia. Their city surveyors are at work on a fifth volume of San Francisco, which will cover South San Francisco, the Potrero and other outlying sections of the city, which have grown to importance during the past two years. They have new maps of Guerneville and Fresno in press.

—The *U. S. Review* says that the honest and conscientious insurance journalist does a large and valuable work which never appears on the surface. He is in communication with officers and managers; he makes suggestions; he warns them of conscienceless scamps who infest the agency fields; he is often the means of establishing valuable agencies; he often conducts important negotiations; he heads off adverse legislation, and in a hundred other ways is largely useful. For these things he is entitled to something in the way of consideration. All of which we indorse, of course.

THE PACIFIC SURETY COMPANY

OF CALIFORNIA.

CASH CAPITAL, - - $100,000.

This Company issues Bonds of Suretyship on behalf of Government, Bank and Railway Officers and all employees in positions of trust. This Company will also act as Surety on Bonds required in the Courts.

DIRECTORS.

GEO. C. PERKINS, WM. CLIFT, J. D. MOODY,
C. T. HOPKINS, H. L. DAVIS, J. N. KNOWLES,
H. WADSWORTH, ALBERT MILLER, J. J. VALENTINE,
WALLACE EVERSON, A. P. REDDING.

OFFICERS.

WALLACE EVERSON.....President
J. J. VALENTINE.....Vice-President
E. F. GREEN.....Secretary
A. P. REDDING.....General Manager

Head Office, 328 Montgomery St., San Francisco.

—The Western of Toronto has abolished its central department at Cincinnati.

—The East Tennessee Ins. Co., with a cash capital of $150,000, has been organized at Knoxville, Tenn.

—Col. A. J. Willmarth, formerly Vice-President of the Home Ins. Co. of New York, has been appointed agent of that company in Massachusetts, with headquarters at Boston.

—A sharper named Eben Jackson, representing the Continental in five counties in Missouri, has been defrauding the company by remitting premium notes signed by himself under an assumed name for policies granted to bogus applicants. For these accepted risks he drew his commissions, amounting to upwards of $2,000.

—At the last meeting of the stockholders of the Atlas Insurance Company of London, the chairman, announcing that the company designed to enter this State, informed his auditors that "California does not come within the meaning of the United States, to which, as we have before told you, we have no intention of going!"

—Commissioner Foster, of Pennsylvania, having revoked the license of the Mutual Reserve Fund Life Association of New York for not filing its statement, Mr. Harper, the President, howls in rage, "Let the friends of assessment insurance arise in their might and have this man removed." The Commissioner simply did his duty as the Pennsylvania law prescribed. Mr. Harper seems bent on proving to the world that he is an ass.

—According to Mr. Holway's paper read at the June meeting of the Boston Life Underwriters' Association, the following figures represent the amount of insurance in force in the various countries: Great Britain, $2,600,000,000; United States, $2,000,000,000; Germany, $670,000,000; France, $650,000,000; Austria, $225,000,000; Australia and New Zealand, $190,000,000; Russia, $53,000,000; Sweden and Norway, $46,000,000; Tasmania, $9,000,000. Total, $6,509,000,000. Evidently, these figures do not include any form of assessment insurance.

—How to succeed in life: Persuade "the old man" to carry a good policy on his life.

—The latest story of incendiary glass globes is that the sun's rays passing through an air bubble in a pane of glass, of a show window, set fire to the goods displayed therein, the air bubble condensing the rays. The next liar will please step forward.

—A hundred thousand dollar barn was burned at Great Barrington, Mass., last month. The "barn" was a remarkable collection of buildings, embracing stables, hay mows, mammoth grain bins, machine and tool houses, a grist mill and a saw mill, all beneath one roof.

—AGENT—Does your business ever lead you into danger, Mr. Smith?

MR. SMITH—No, sir; never. The company need have no apprehension in that direction.

AGENT—By the way, Mr. Smith, what is your business?

MR. SMITH—I am a policeman.—*Insurance News.*

—The Insurance Year Book for 1885 is out. As every underwriter knows the character of the work, and appreciates its value, any summary of its plethoric pages, or warm praise of its worth, by the COAST REVIEW, would be superfluous. The price of the Year Book is $3. Send that sum to the *Spectator* at Chicago or New York, and in due course of mail the postmaster will notify you that there is a package for you, "too large to be delivered by carrier."

—"Twenty-five per cent. of our loss ratio is upon residences," said one of the prominent underwriters of this city a few days since, and he added, "this simply shows that the process of liquidation is still going on." This statement, which is borne out by the experience of companies whose loss ratio on residences has been still higher, mounting up in instances to even 50 per cent., is not a happy commentary on the state of the country. For when liquidation extends to residences as well as to business houses, it is indeed alarming. People are not ordinarily disposed to part with their homes.—*Philadelphia Insurance News.*

—Vicksburg, Miss., has a new fire insurance company, called the Mississippi Home. The cash capital is $100,000.

—A Leavenworth miller endeavored to make an inspection of the contents of a flour bin by means of a lantern. The result was the loss of a fine beard, a suit of clothes, and some bad burns about the face and neck.

—Eight Cincinnati fire insurance companies, the Amazon, Commercial, Eagle, Enterprise, Farmers, Miami Valley, National and Western, have formed a syndicate under the name of the Cincinnati Lloyds, for the purpose of writing a joint policy. The combined capital is $1,773,873. Single policies to the extent of $20,000 will be written.

—The Home Insurance Company, of New Orleans, recently took steps to reduce its capital stock. Judge Pardee, of the United States Circuit Court, granted an injunction restraining its action, announcing "that a corporation has no implied authority to alter the amount of its capital stock where the charter has definitely fixed the capital stock at a certain sum."

—According to *Insurance* of New York City, Calvin A. Collins, of Port Henry, N. Y., was "insured" in the United States Mutual Accident Association for $3,000 in case of death, and $15 a week in case of disabling accident. He was accidentally killed, and there was and could be no question made as to the validity of the widow's claim. But for how much? She expected $3,000. There it was, three thousand dollars, in big bold type across the face—or shall we say cheek—of the policy. Did she get it "without delay or discount?" No; she did not. What she did get, and all she got was $676. Mr. Pitcher, the secretary of the Association, wrote to her after the proofs of death were filed and while the returns from the Circumambulating Hat were slowly coming in, "*Do not raise your hopes too high, as many members forfeit on every assessment.*" This hat-passer does a little business in California by means of a lavish distribution of circulars through the mails.

—Life insurance business is improving over all the United States.

—The Louisiana Fire, River and Marine Ins. Co., capital $200,000, has just been organized at New Orleans. This makes the second fire insurance company recently organized in the Pelican State. Business must be picking up down there. Perhaps the inhabitants are raising more sugar cane and less old Cain than formerly.

—The tobacco smoked in one Eastern city during one day last month is known to have cost $600,000. Think of that, and moralize, you tobacco haters! That is a pretty good day's smoke. The insurance was $450,000, and the place Stoughton, Wis. Twelve thousand cases were destroyed.

—The pneumonia explanation of that double assessment by the Mutual Reserve Fund having been too weak to impose upon members, the association has substituted a gauzy story about fraudulent policyholders and wicked conspiracies. "Any port in a storm."

—The July statement of the Fidelity and Casualty Company shows a substantial growth in its financial condition since January 1st. There is an increase in assets of $65,040, in surplus of $25,758, in reserve of $26,652, and in premiums of $45,590. The assets now amount to $577,066, and the surplus to $326,480.

—The insurance editor of the Cincinnati *Price Current* says: It is simply impossible for the special who may visit a place, say, not more than once in a year for a day or two, and who oftentimes inspects his risks from a seat in a carriage, to determine the desirability or undesirability of a risk as well as an intelligent local agent who may and probably does know all the circumstances connected with it; and it is folly to subject the action of such an agent to the criticism of the average special. We have known specials whose knowledge of insurance was in the A, B, C's, as compared with that of the agents they overruled, and have known agents to lose their faith in and respect for the company in the feeling of disgust stirred up by the ignorance and insolence of the special.

COAST REVIEW.

A MONTHLY JOURNAL, DEVOTED TO FIRE, MARINE, LIFE AND ACCIDENT INSURANCE.

J. G. EDWARDS, Proprietor,

320 Sansome St., (Room 14), San Francisco, Cal.

(Take the Elevator.)

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Digest of Recent Insurance Decisions.

FIRE.

OCCUPANCY.—McPike *v.* Western Assurance Co.; Miss. S. C., April, 1885.—The building embraced in the policy sued upon was described and insured as a family residence, occupied by a tenant. There were stipulations in the policy that if the premises were used or occupied so as to increase the risks, or if they should become unoccupied, and so remain for thirty days, without the written assent of the insurer, the policy should be void. The owner of the property, who had possession of the policy, resided in Missouri. His agent, who insured the house, and who lived in it at the time, afterwards moved away, and the building was converted into a retail liquor store by a man without a family, who had no authority, it seems, from the owner or his agent, to occupy the premises, and who paid no rent. The Court refused to instruct the jury for the appellant that "if they believed from the evidence that the building became vacant or unoccupied for thirty days at any time during the continance of the policy, without the consent of the company, they must find for the defendant; and the building was vacant in the sense contemplated by the policy, though some one was left to take care of it, if in fact it was not occupied as a family residence." *Held*, that it was error to refuse this instruction. The insurer had a right, under the policy, to the care and supervision involved in the use and occupancy of the building as a family residence.

RESPONSIBILITY OF RAILROAD COMPANY—SPARKS FROM LOCOMOTIVE.—Clarke *v.* Chicago St. P., M. & O. R. R. Co.; Judge Vanderburgh.—A railway company was sued to recover for the loss of hay from fire, communicated to his hay from dry grass allowed to accumulate on the side of the track, which was fired by sparks from the engine of the company. *Held*, That it was shown that sparks were observed to escape from the engine or smoke stack, as a customary thing, and, therefore, if this dead dry grass was not taken away, it is clear that it might become ignited from these sparks and the fire therefrom be carried off the line of the track. It is negligence in the company to allow this combustible matter to remain on its right of way, and it must be held liable for the loss of property burned by a fire communicated to it through the burning matter along the track.

LIABILITY OF RAILROAD COMPANY FOR NEGLIGENCE.—Leland *v.* C. M. & St. P. R. R. Co; Iowa S. C.—In an action to recover for the loss of goods destroyed by fire while in the custody of a railroad company as a warehouseman, evidence that the fire was set out by sparks from an engine operated by the company on its road will entitle the plaintiff to recover, unless the company shows that the fire was not caused by any negligence or want of care on its part.

UNDERGROUND INSURANCE—"DOING BUSINESS"—INVALIDITY OF NOTE GIVEN FOR PREMIUM.—Benlo *v.* Yesler; Oregon S. C.—A citizen of Seattle, W. T., gave a note for a premium due a Kansas company doing an unauthorized business in the Territory. The agent sold the note to another party, after maturity. On the failure to pay the note, suit was brought. The defense was that the note was invalid, as the company had no authority to do business in Washington Territory. Plaintiff contended that the taking of a promissory note in payment of an insurance premium is not "doing an insurance business." *Held*, That taking a note has been decided to be a business act, and it is, certainly, a contract. It is the common expression of the courts that the making of a contract is "doing business" within the meaning of statutes using the term. The insurance company had made a contract with Y, by accepting his application, its agent being without authority to make a contract at Seattle; it had issued its policy, and the second premium was due. The taking of the note for this premium, through its agent, was "doing business" in the Territory of Washington; and, as the company had not complied with the statutes and qualified itself to do business in the Territory, the whole transaction was without authority of law, and void. To permit such contracts to be enforced, if not offering a premium to violate a law, certainly withdraws a large portion of the fear which deters men from defying the law. To do so places the person who violates the law on an equal footing with those who strictly observe its requirements. This note having been transferred after its maturity, was open to the defense set up, and no recovery can be had upon it.

TITLE OF ASSIGNEE—DOUBLE INSURANCE.—Sibley *v.* Prescott Ins. Co.; Mich. S. C.—A general assignee of goods and fixtures, before he gave his bond, took out policies of insurance on the property. At the time there were outstanding policies, one of which, only, was surrendered. The policies taken out by the assignee and those outstanding, which passed to the assignee by operation of law, exceeded in amount the value of the property. The store and its contents were destroyed on February 5th, 1884, and the assignee filed his bond two days later. The company refused to pay on two grounds: 1. That the assignee had no title, not having protected his appointment by filing the bond. 2. That, as the property was fully insured by existing policies, he acquired no insurable interest. *Held*, 1. The assignee, by accepting the trust, could take all necessary steps to protect the property before filing the bond. 2. As to the double insurance, the policies are not void. He had the property with the policies on it, and he might take out further insurance, as any owner might, subject to the customary conditions as to information, over-valuation, etc.

GROSS OVER-VALUATION—FORFEITURE.—Eakin *v.* Home Ins. Co.; Texas Court of Appeals.—A frame dwelling insured for $750 was destroyed by fire. The defense was that the assured misrepresented the value of the property, claiming it to be worth $1,000 when it was worth only $400; that the over-valuation was gross. *Held* (quoting May on Insurance), That the law will not interest itself in trifling discrepancies and insignificant differences such as may be readily accounted for by that natural tendency which self-interest always engenders. The over-valuation, in order to work a forfeiture of the right of recovery, must be a clear one—so clear that it is obvious at a glance, and cannot be accounted for upon the principle that every man is naturally inclined to put a favorable estimate upon his own. It is not necessary that the over-valuation be intentional and fraudulent to

have the effect of vitiating the policy. The effect is the same if it be done by mistake, and over-valuation by the agent is imputable to the principal.

OTHER INSURANCE – KNOWLEDGE OF AGENT A WAIVER OF FORFEITURE. — Kitchen *v.* Hartford Fire Ins. Co.; Mich. S. C. June 3, 1885. — The application, which was a warranty, was silent as to the effect of other insurance, and a question therein as to what other insurance existed was not answered. The application was made through a soliciting agent who was authorized to deliver policies and receive premiums, but not to fill blank policies. The policy provided that it should be void in case of other insurance not made known. The agent was informed that other insurance would be applied for when the application was made, and was afterwards notified that it had been procured and requested to notify the company, in all of which he acquiesced. *Held*, That the knowledge and conduct of the agent was a waiver of forfeiture.—*Ins. Law Journal, August.*

DEFAULT — EXEMPT PROPERTY. — Daly *v.* Continental Ins. Co.; Kan. S. C., June, 1885.—Property insured was exempt property. It was agreed that in default of punctual payment the policy should be forfeited. The insured died three months before the note became due, leaving a widow and children, who continued to occupy the property. Twenty-three days after the note became due the property was burned. *Held*, That the property, being exempt, vested in the widow and children of the deceased, and that the interest in the insurance policy devolved upon them; and in case of loss, where there was no default, the insurance money would accrue to them. *Held*, That the widow and children were beneficially interested in the contract of insurance, and that they alone could be affected by the non-performaace of the conditions of the contract. It was their duty to pay the premium note, and failing to do so they cannot avoid the consequences of non-payment.

A CALIFORNIA CASE — JUDGMENT ON STIPULATION — PRACTICE WHERE ONE ACTION ABIDES EVENT OF ANOTHER. — Gilmore *v.* American Central Ins. Co.; Cal. S. C., August 25, 1885.—The issues in two cases being identical, both parties stipulated to abide by the decision in the case first tried. It was afterwards claimed by defendant that the stipulation had become *functus officio* and did not authorize entry of judgment. *Held*, That it was contemplated that in case of a reversal, amendments might be made and a new trial had. The stipulation in effect provided that while all this was being done in the Lycoming case, and until a final judgment should be reached in that case, this case should remain in abeyance; but that when the judgment should become final in that case, then a like judgment might be entered, without notice, in this case. The judgment appealed from in the Lycoming case was not final, within the meaning of the stipulation, and the stipulation did not become *functus officio* when that judgment was reversed.

MARINE.

MISTAKE — REFORMATION. — Hill *v.* Millville Ins. Co.; Chancellor Runyon, N. J. C. of E.—A policy of insurance issued in the name of the agent of the owner of the vessel insured, instead of in the name of the principal, through the mistake of the insurance company's agent in preparing the application for the policy, without any representation or mistake of the owner or applicant for such insurance, may be rectified after the loss of the vessel, the act of the company's agent in such case being that of the company and not the insured, notwithstanding the fact that he signed the application with his own name "for applicant."

LIFE.

INSURABLE INTEREST OF ASSIGNEE.—Downey *v.* Hopper; S. C. Penn.—Three years after insuring his life the insured assigned the policy with consent of company. For six years the assignee paid the assessments, but on claiming the insurance money, payment was refused because the administrator of deceased demanded its payment to him. The administrator then sued the assignee to determine the ownership. The lower

court gave the administrator the money, on the ground that assignee had no insurable interest. But the administrator was required to pay assignee the amount he paid for the policy, together with assessments paid and interest. The judgment was affirmed by the Supreme Court, which *Held*, That it must be conceded that on principles of law applicable to contracts generally, this judgment would be wrong. The rule, however, applicable to this class of cases, appears to rest on public policy, which forbids gambling on the duration of human life. It is not sufficient that the sale and purchase of this policy may have been in good faith and with correct motives. The mischief resulting from the sale of a policy for the purpose of speculating on human life is so contrary to the policy of the law, and so in conflict with the just principles of life insurance, that it is unsafe to relax the rule that the holder of the policy must have some pecuniary interest in the life of the person insured — some interest which the death of insured would affect.

CHANGING BENEFICIARY. — Wilmaser *v.* Continental Ins. Co.; Iowa S. C., June 18, 1885.—The assured left a will bequeathing to his daughter $500 on condition that she would assign to his estate her interest in the policy. She was the beneficiary, and refused to assign her interest. *Held*, That the company was bound to pay the money to the beneficiary under the policy, the assured having no power to alter the contract.

ACCIDENT.

AN ACCIDENT THAT IS NOT AN ACCIDENT.—Barry *v.* U. S. Mutual Accident Ass'n; U. S. C. C. Wis., March, 1885.—The court charged that, in an action on an accident insurance policy the question whether deceased was injured by jumping from a platform, as alleged, is a question of fact for the jury to determine from all the circumstances of the case as shown by the evidence. The term "accidental," as used in an accident policy, is used in its ordinary sense, and means "happening by chance, unexpectedly, or not as expected." An injury that is internal may afford external indications or evidences, which are visible signs of the injury within the meaning of such term as used in an accident policy. In an action on an accident policy where it is shown that the deceased sustained an accidental injury to an external organ, and that necessarily produced inflammation, and that produced disorder of the injured part, whereby organs of the body could not perform their natural and useful functions, and in consequence the injured person died, the original injury will be considered as the proximate and sole cause of death; but if an independent disease or disorder, not necessarily produced by the injury, supervened upon the injury, or if the alleged injury merely brought into activity a then existing but dormant disorder or disease, and death resulted wholly or in part from such disease, the injury cannot be considered the sole and proximate cause of death. Finding for defendant.

A California Supreme Court Decision.

Where an adjuster unfairly obtains an affidavit of loss from a claimant, the latter should not be bound by it to his prejudice.

In determining a question of fact as to whether the intention of the parties was to cancel or secure the debt, it is proper that all the negotiations had at the time the bill of sale was made, and all subsequent acts relating thereto, should be considered.

Where the title vests in the assured by a bill of sale, with the privilege to seller of re-purchasing, instead of by mortgage, the assured is the absolute owner and not a pledgee.

INSURABLE INTEREST—TITLE—PROOFS OF LOSS—TESTIMONY.—Cook *v.* The Lion Fire Ins. Co.; Cal. S. C., August 26, 1885.—The evidence shows that just before the policy was issued, Cook, the plaintiff, had a debtor, one Cardwell; that Cardwell wanted to get more money from Cook, and offered to sell him a certain fifteen hundred cords of wood in payment for the money which had been and was about to be procured by him; that as a part of this negotiation it was understood that Cook was to insure the wood transferred to him by Cardwell, and for that purpose these two visited one Meredith, who was agent of the Liverpool, London and Globe Ins. Co. resident at Folsom. Upon stating to this agent the nature of the proposed sale, Cook was advised by him to

take a bill of sale from Cardwell of the wood, and further to take possession of it, as the parties Cook and Cardwell seemed desirous that the transaction should be a sale and not a mortgage. Accordingly a bill of sale was drawn by the agent and signed by Cardwell, and a formal delivery of possession was taken by Cook and the wood remained at the spot where he took such possession, on the bank of the American river, and he was never after that divested of its possession until it was burned. After this bill of sale and delivery of possession took place, and the agent Meredith was, by Cook and Cardwell, put in possession of the full knowledge of the title of Cook to the wood, and all the facts leading up to and and surrounding this sale and delivery, he made out an application addressed to the Liverpool and London and Globe Company for an insurance policy on this property in the sum of $4,000, and Cook signed the same. This application set out what was the understanding of the agent, Cook and Cardwell at that time, viz: that Cook was the sole owner of the property. It was forwarded to San Francisco and in due course of mail was received by the Liverpool and London and Globe Company's agent there. The risk was not accepted by that company, but it submitted the application to the Lion Company without any knowledge of it on the part of Cook, and upon this application thus submitted the Lion Company issued its policy to Cook and it was forwarded through the Liverpool and London and Globe Company to Meredith, the latter company's agent at Folsom. Cook at that time was absent and Meredith informed Cardwell of the arrival of the policy and that the premium thereupon ought to be paid; thereupon Cardwell paid to Meredith for Cook the amount of the premium for the Lion Company, which company received it. This wood was after that time burned with 500 other cords of wood which Cook had bought from Cardwell, and which was piled near that first purchased. An adjuster was sent up to Folsom after the wood was destroyed by fire to look into the matter. Neither he nor his company at this time seem to have claimed that the policy thus issued to Cook was void. Their claim appears to have been that he had only a lien upon the wood for the money he had paid Cardwell for it, viz: the sum of $2290; that he was not the sole owner of the wood, and that his insurable interest amounted in no event to more than the sum above stated. It also appeared that after the insurance policy was issued Cook took a second bill of sale from Cardwell, including the 1,500 cords of wood first sold and delivered, and the 500 cords last sold, and that at that time $550 of the $2290 was paid Cardwell. It also appears in evidence that at the time of the first sale it was agreed in writing between Cook and Cardwell that the former would sell to the latter the 1500 cords of wood, if by a certain date Cardwell paid Cook the sum of $1,800.

The whole contract in writing between Cook and Cardwell comprised in both the bill of sale and the agreement contemporaneous with it was a sale, with the privilege to repurchase reserved to the vendor. It was simply in effect this: That Cardwell upon paying to Cook within a certain time, and that but a brief one, a certain sum of money might repurchase the property, or, what is the same thing, divest title from Cook, which had by the sale vested in him. (Haynie *v.* Robertson, 58 Ala., 401 and cases there cited; Hichman *v.* Cantrell, 9 Yerger, 172; Magee *v.* Catchings, 33 Miss., 673, 693.) It was not a mortgage or a pledge. (Jones on Chattel Mortgages, section 26.) In this case the transaction was based, it is true, upon a previously existing debt, and the question to be settled is whether the intention of the parties was to cancel that debt or secure it, and this again is a question of fact to be determined by the negotiations had at that time, and the subsequent acts of the parties. (Jones on Mortgages, section 326.) Here a debt was paid and no claim afterward made for it. The party purchasing expressly declared that he would not take a mortgage, but must have a sale of the property to himself; a bill of sale was written and signed and the property was delivered to the vendee by the seller and taken possession of by him, and no acts of ownership have since been exercised

by the vendee over it, he having the privilege conceded to him that, if he would pay at a certain time a certain price for the property, he might purchase it, and that was the full extent of his rights, and the title to the wood vested in Cook (Jones on Mortgages, section 326; Hooper *v.* Bailey, 28 Miss., 328). So that when Cook signed the application, which was made out by Meredith, and described himself as the sole owner of the wood, he described his title truthfully and committed no breach of warranty as to the policy issued by the Lion Insurance Company.

The plaintiff did nothing, so far as the application was concerned, to forfeit the policy, even conceding that it was an application which the Lion Company might justly consider as made to itself. But it is said Cook cannot recover from the Lion Company anything more than the amount claimed in the proof of loss, viz: the sum of $2,290. This cannot be so. It sufficiently appears—although on this point the evidence is conflicting—that the insurance adjuster did not deal fairly with Cook in getting him to sign and swear to the proof of loss, and we do not think the latter should be bound by any such statement. When an adjuster faithfully and fairly obtains an affidavit of loss from one claiming against his company, it is to be commended, but when the contrary appears, as in this case, the party thus entrapped should not be bound by it to his prejudice.

The Lion Company was not deceived by Cook in any way. He stated nothing that affects his rights untruthfully to it or its agents, either verbally or in writing. He is shown to have been the sole owner of the property insured, to have suffered the full amount of the loss as such owner, and through no fault of his. As to the point made that the question asked Meredith, "what he knew of the transaction" as between Cook and Cardwell, was immaterial. We are of opinion that it and the evidence he gave in answer thereto were admissible, because it was proper that all the negotiations had at the time of the bill of sale was made, and also the subsequent acts of the parties in relation thereto, should be considered in determining the question of fact as to whether the intention of the parties was to cancel the debt or secure it. (Jones on Mortgages, section 326.)

One of the main facts to be determined by the court who tried the case, a jury being waived, was whether the bill of sale represented an absolute sale of the wood or was executed for security. This was a question to be decided by that tribunal on a preponderance of evidence, as if before a jury. (Perkins *v.* Eckert, 55 Cal., 400-404.) The court having determined this question in the affirmative and a conflict of evidence on the point appearing to exist, the judgment should not be reversed. Upon the whole case we are of opinion that the judgment and order denying a new trial should be affirmed. FOOTE, C.

We concur: SEARLES, C.
BELCHER, C. C.

For reasons given in the foregoing opinion the judgment and order are affirmed.

BY THE COURT.

Montana and Idaho Underwriters' Association.

The second annual meeting of the Montana and Idaho Underwriters' Association was held at Helena, Montana, on the 10th, 11th and 12th of August, representatives of the Pacific Coast fire offices and the Western Union being present.

The following named gentlemen were elected officers of the Association for the ensuing year: I. S. Blackwelder, Chicago, President; A. P. Flint, San Francisco, Vice President; T. C. Grant, San Frrancisco, Treasurer; J. F. Downing, Erie, Pa., Secretary.

Communications to members of the Association from the Chairman of the Committee on Western boundary of the "Western Union" were read, stating that the Union approved of the proposed plan of the Pacific Insurance Union to place Montana, Idaho and Utah Territories under compact, with headquarters at Salt Lake City. The advisability of this plan is indisputable, although it was questionable with some of the representatives as to the selection of Salt Lake City as the place of residence for the man-

ager, inasmuch as the premium receipts for 1884 for Utah Territory amounted to $100,154, whilst Montana Territory amounted to $228,134.

The members of the Helena Local Board of Underwriters attended in a body, explained the workings of the tariff as adopted the previous year, and pointed out a few inconsistencies, which were subsequently remedied by the Association. The President of the Local Board, in the course of his address, spoke very strongly in favor of the adoption of the compact system.

A deputation was also present from the Local Board of Butte City. The greatest harmony appeared to prevail among the members of this board, although complaint was made of the action of companies writing on risks in this field at San Francisco, at lower than the tariff rates and over the heads of their local agents. This complaint referred more especially to mill and mining property.

Several additions were made to the table of basis rates; also suggestions with regard to vacancy permits and other matters presented by members of the various local boards. The association then adjourned, with the suggestion that the next annual meeting should be held at Butte City, Montana.

Gilroy Fire Department.

The *Advocate* thinks that the fire underwriters of San Francisco have underrated the fire-extinguishing facilities of Gilroy, Cal., and therefore charge too high rates. Underwriters represented in Gilroy are requested to note that—

"Our city water supply is ample for emergencies. A reservoir situated three miles from town with a capacity of 2,000,000 gallons, elevated 93 feet above the level of the plain and giving a pressure varying from 40 to 50 pounds, insures a stream that rises over the highest buildings. In addition to this supply we have auxiliary wells with steam pumps, also eight cisterns containing 14,000 gallons each. There are seven hydrants at prominent points. Three streams could be brought to bear simultaneously on a fire in any part of the main business street. The paraphernalia of the department is in first-class order and kept so by a salaried janitor. There are three hose carts of the best make, each with a coil of 500 feet of hose; a good effective engine which forces a stream over any ordinary building, when well manned; a full kit of ladders, hooks and buckets. The property of the department is valued at over $6,000."

Vital Statistics of Cities.

The following tables give the deaths and the death rate per thousand of many of the principal cities of America and Europe, during 1884. The estimates of population appear to be reasonably correct. The lowest death rate is that of San Francisco, whose favorable rate must doubtless be attributed to the prevailing trade winds, of which we all complain at times:

AMERICAN CITIES.	Total deaths.	Population.	Death rate per 1,000.
New York	35,034	1,356,958	25.82
Boston	9,622	398,945	24.11
Pittsburg	3,753	185,000	20.29
Baltimore	8,293	408,820	20.27
Washington	4,814	200,000	24.07
St. Louis	7,887	400,000	19.70
New Orleans	7,153	234,000	30.55
Charleston	1,807	52,286	34.55
Savannah	1,169	40,491	29.87
Richmond	1,904	75,000	25.38
San Francisco	5,288	270,000	19.58
EUROPEAN CITIES.			
London	83,050	4,019,361	21.59
Liverpool	14,690	573,202	27.68
Manchester	2,071	338,296	29.42
Sheffield	6,832	300,563	24.07
Leeds	8,034	327,324	25 83
Hull	3,887	181,225	21.79
Stockholm	4,484	190,115	23.59
Buenos Ayres	7,805	340,370	22.93
Dublin	9,802	351,014	25.08
Belfast	5,073	216,621	23.42
Berlin	32,933	243,284	26.49
Munich	7,369	242,000	30.45
Hamburg	12,577	486,678	25.84

The Equity of the Co-Insurance Clause.

To place this subject more clearly before our friends, the merchants, we will suppose the following hypothetical, but perfectly probable, illustration: In a certain city with first-class fire protection there is property

belonging to careful insurers who, while perhaps grumbling at the rates, desire and pay for perfect security, and there is also similar property in the hands of such as insure only up to what they deem they are ever likely to lose; and taking an average rate of 1 per cent., we find under existing rules, without co-insurance, the following result (in two examples):

Ex.	Value of Property.	Insurance.	Prem.	Average An. Loss.
1	$1,000,000	$1,000,000	$10,000	$4,000
2	1,000,000	500,000	5,000	4,000
	$2,000,000	$1,500,000	$15,000	$8,000

Now, is it not palpable that if this result is satisfactory to the companies, the rate is not equitably adjusted, the loss ratio being in the one example 40 per cent. of the premium income, and in the other exactly double, or 80 per cent.? Apply the co-insurance clause, and it will be found, in example No. 2, whatever proportion the insurance bears to the value, the loss ratio will be 40 per cent., so that the companies, upon the stated rate of 1 per cent., would only pay on above average annual loss that percentage of their income, and it would then become a question what reduction in rate could be made, because each insurer would in that event pay in proportion to the liability incurred, instead of, as at present, some paying double what others do. Which, in the name of common sense, as well as good underwriting, is the best method—may we go to the extent of saying the only method—for arriving at rates which shall be fair and just for both the insured and the companies? If a trader is willing to run a certain amount of risk in a business transaction, does he not run it on the part equally with the whole, and why should fire insurance be treated on a less equitable basis?

We do not think we have advanced any arguments in favor of the co-insurance clause which will not bear the strictest investigation, or fail to commend themselves from their simple justice to the mercantile community, quite as readily as to fire underwriters, for the interests of both are identical, namely, the exchange of a good article at a fair price.—*Insurance Society.*

The Charter Oak Life Insuranc Co.

Frequent inquiry having been made of the Massachusetts Insurance Department as to the financial standing of the Charter Oak Life insurance Co. of Hartford, Commissioner Tarbox, in his annual report for 1885, furnishes information of the following tenor: In 1877 the affairs of the company were investigated by a Commission. The report disclosed a serious impairment of the company's solvency in consequence of "unfortunate investments" and "lax and irresponsible management. Its imminent bankruptcy was arrested by a reorganization of the company. On December 31, 1879, according to the Connecticut Commissioner, the company was "unmistakably solvent, with a surplus of more than $600,000;" and on the 31st of last December the deficiency was $445,922. The following figures will explain the comments which follow:

	Expenditures.	Paid to Policy-holders.	Surplus at 4 per cent
1882	$1,091,677	$613,394	$ 71,733
1883	1,886,090	737,127	306,924
1884	684,933	454,709	445,922

"These are not altogether pleasant figures. Some of them, unexplained, are of most disagreeable impression. A net loss of half a million dollars in two years cannot be regarded with complacency. As the company is not now engaged in new business, involving expensive outlay, and is, in essential fact, in liquidation, with no considerable proper expense disbursement save for routine transactions and the prudent care of its effects, the disbursement in one year of over $1,000,000, besides payments to policyholders, creates a surprise not dispelled by the circumstance that more than $300,000 of that disbursement is charged to profit and loss, and over $400,000 to bills payable. Upon its financial exhibit of three years ago any one with faith in the assumptions of actuarial science would assume the company's ability to pay its debts in full when due. That confidence cannot be safely predicated upon the exhibit it now makes, although the inference of inability of the company to meet its obligations cannot be fairly made. An explanation, with a thorough and intelligent exposition of its

affairs by official authority, is called for, both in justice to its 10,000 policyholders and for broad public reasons. But lately the company had, or was reputed to have the reserve funds which the law and scientific calculation assume to be sufficient to assure the performance of its contracts. If a solvent company ceases to make new contracts, the law and the fundamental assumptions of life insurance assume it will be able to perform the contracts it has made; and so it will, provided confidence is sustained in its ability to do so, and its means are prudently taken care of. With what economy and judgment in cost of management and husbandry of its resources the affairs of the Charter Oak has been carried on since its suspension, or how reliable its statements of assets, I have no means of knowledge, but I am well advised that its agents, with or without the sanction of its principal managers, have actively impeached its credit by injurious representations to policyholders, while its financial statements show a sound condition, and thereby induced the surrender of policies on good insurable lives. The motive of such transactions on the part of the company or its agents I may not affirm, but am unable to impute it to any prudent and honorable purpose."

Co-operative Ghouls.

Some time last fall a Mr. and Mrs. Bauer, respectable New Jersey persons, took out endowment policies to the amount of $25,000 in the Equitable Life Assurance Society and the New York Life Insurance Company. At the same time they insured their lives for $28,000 in the Mutual Reserve Fund Life Association of New York, the Fidelity Mutual Life Association of Philadelphia, and two other hat-passers. On the 18th of June, after an illness of two weeks, Mrs. Bauer died. The cause of death was properly certified by the attending physician. The New York Life and the Equitable Life, after the usual careful inquiries, promptly paid the claims maturing by the death of Mrs. Bauer. The Mutual Reserve Fund and the other hat-passers refused to pay, setting up the plea, first, that Mrs. Bauer was not dead; and, second, that she did not die of the disease assigned in the certificate of the physician, but of a disease which she had fraudulently concealed when applying for insurance. The action of the regular companies fairly convicts these co-operatives of an improper spirit of litigation, though there is, of course, a bare possibility that Mrs. Bauer secured the insurance on her life by concealing her true condition from the examining physician.

No one will claim that the co-operatives did wrong in declining to pay the insurance until after due investigation, but their method of determining the question of fraud was a gross violation of decency and a brutal disregard of the feelings of the husband and relatives of the deceased. These co-operative ghouls employed men to disinter the remains of Mrs. Bauer, without notifying her husband. Under the protection of the Coroner's order, the men opened the grave, broke open the coffin, and removed the vital organs of the corpse for expert examination. If the co-operatives had paid the claims and the old-liners had resisted them, what boastful rantings the Mutual Reserve Fund and other co-operatives would have indulged themselves in! If, moreover, the old-line companies had thus desecrated a grave and profaned the dead, the floodgates of co-operative wrath would have been opened, and the "monopolies" denounced in the choicest billingsgate as defrauders of orphans and monsters of sacrilegious iniquity.

Luke Black, the Washington Market game dealer, strolled into The Mutual Life Building the other day, and made his way to the room of one of the officers, with whom he wished to confer, regarding a certain mortgage. After finishing his business Black remarked reflectively, "What a pity you don't insure women, Mr. ———"

"But we do insure women," answered the other.

"What! you insure women's lives and I never knew it? By George! What a lot of money I've lost. Why Mr. ——— I've had three wives and they're all dead."—*Weekly Statement.*

Libelous Life Insurance Literature.

It is a humiliating fact which must be written to the discredit of legitimate life insurance that anonymous printed matter defaming a solvent company finds a ready sale. Libelous circulars are bought "by the ton" and placed in the hands of the agents and solicitors of competing companies. As it is not to be supposed that the honorable gentlemen who manage these companies would descend to the use of such dishonorable business practices, the responsibility for the purchase and circulation of this defamatory stuff must be saddled upon zealous subordinates.

Fair criticism of a company's management or system of insurance is as legitimate as useful, but the anonymous circulars we refer to do not come under this head. They are in many instances vile detractions, and when not a scandalous mis-statement of facts, are an ingenious perversion of figures. They are written to sell, and bought and circulated to injure the business and reputation of a rival company.

The employment of such unworthy weapons of competition cannot be too severely rebuked. The moral aspect of the practice need not be considered at all, for common business sense will condemn the circulation of this traducing literature. The incessant assaults on a solvent company are assaults on life insurance in general. Public confidence in the stability of every company is lowered, and the reputation of the managers for moral integrity suffers a like decline. The agent or solicitor who wins an applicant from the defamed company has sown the seeds of distrust. The life insuring public speedily take alarm, and argue that if the assailed company, with its excellent reputation and its millions of assets, is on the road to bankruptcy, then no existing company is safe. Agents and solicitors cannot traduce a solvent company without traducing their own. Their detractions are boomerangs, and the spirit of unscrupulous rivalry exhibited will throw doubt upon all their representations and develop a feeling of contempt for and distrust of the companies employing such men and countenancing their disreputable methods.

We are happy to announce that the San Francisco general agents of life insurance companies do not fight in ambush and will not endeavor to build up their own companies by destroying another. Recently a number of packages of slanderous circulars were received by these gentlemen, and were immediately turned over unopened to the general agent of the assaulted company. Similar packages received by Boston general agents, were treated in the same manner, lately. We applaud these gentlemen.

If the legitimate life insurance companies of this country cannot thrive unless they employ illegitimate business methods, it is time to abandon the field to the co-operatives, who are the more skillful in rascality.

Failure of the Oldest Co-Operative in the West—The Order of Mutual Companions $34,000 in Arrears for Seventeen Unpaid Claims—A Heavy Mortality the Cause—Attachment of Property.

The Order of Mutual Companions of this State is a fraternal life insurance society. It is the successor of the Sonoma and Marin Mutual Beneficial Association, which was organized about seventeen years ago. The old society simply gave the nominee of a deceased member whatever was collected, not to exceed a certain sum. The collections varied according to the membership. This primitive and practical method of distributing relief was not entirely satisfactory, for frequent assessments reduced the membership one-half or more, and accordingly limited the benefits. The situation steadily grew worse. The healthy members continued to drop out, but the sick, the feeble and the old members paid their assessments with aggravating promptness, and their nominees filed claims with frightful regularity. As it was clear that the society must immediately "rope in" many new members or perish, it was resolved to disincorporate and reorganize as the Order of Mutual Companions, with more popular features. The payment of $1,000, $2,000 and $3,000 was

guaranteed, according to the class chosen, and certain benefits were promised to members reaching an advanced age.

The reorganization was effected in December, 1882. Under its new name the society began a new career under the

MOST FAVORABLE AUSPICES.

Back of it was the prestige of fourteen years of successful operation, and there was, besides, a reserve fund of $42,000 accumulated by good management. The membership advanced from 1,300 to 2,559 within twelve months. The managers were capable and honest, and the system of medical examinations was unexcelled. There was no reasonable ground of complaint or distrust, yet within thirty months from the date of reorganization of the society its $42,000 reserved fund had disappeared, and there was a deficit of $14,000. The membership fell off 20 per cent. within a year, dropping from 2,559 to 2,015. In the same period the number of councils declined from thirty-four to twenty-two. On the 1st of June last, there were seventeen unpaid claims, aggregating $34,000. The order has $5,000 cash and property worth $15,000. Both property and cash have been attached under suit begun by claimants.

THE JIG IS UP.

On the evening of the 31st ult., the San Francisco councils met to discuss the situation, and decided that the case was hopeless, They therefore seceded in a body, and, not profiting by their experience, agreed to start a new order "free from debt." In thus seceding, the San Francisco Mutual Companions very coolly repudiated their obligations to the beneficiaries of their deceased fellow members. They are legally responsible, however.

Thus ends another experiment in co-operative life insurance. The failure of the Order of Mutual Companions is a forcible indictment of the whole scheme of assessment insurance; for if the Mutual Companions could not succeed with a growing and enthusiastic membership, with a careful and able management, and with $42,000 assets, what business fraternal or co-operative can reasonably hope to succeed? Not one. Every other co-operative has the same fatal defects of plan—and like the Order of Mutual Companions, ignores the law of mortality and defies common sense.

WHY THEY SECEDED.

The last annual session of the Order of Mutual Companions was held at Petaluma on June 9, 10 and 11. The special subject under consideration was the desperate condition of the affairs of the order, and various measures were adopted looking toward a solution of the difficulty. It is altogether likely that the resolution to sell the property and give notes for the deficit, and make the old members pay those notes by special assessments, hastened the catastrophe. The old members preferred secession to the payment of their debts.

The Grand Councilor in his report re viewed the history of the order, and stated fully the causes leading to the failure. For the benefit of the victims of the co-operative delusion we make some liberal extracts from his report, as follows:

HEAVY DEATH RATE.

"It has been our custom, in conformity to the law, to levy about every twenty days. The death rate was greater than our assessments could pay, consequently we are losing ground and becoming involved more and more, until there are now fourteen claims that have been approved and waiting payment, while there are three more in the office not yet acted upon by the executive committee. With a long list of unpaid death claims, with *notices of assessments on deaths occurring four or five months ago*, the councils cannot gain members."

STAGNATION OF BENEFICIAL ORDERS.

We quote again from the Grand Councillor's report: "Our running behind in the payment of death claims rendered progress impossible, *the general stagnation which has fallen upon all beneficial orders made work of no avail.*

NEW MEMBERS MUST PAY OLD DEBTS.

Elsewhere in his report the Grand Councilor says: "No one who joins a beneficial order ever pays into that body the sum his nominee will receive, even though he live the whole time allotted to the race." This declaration is urged in defense of a

proposed amendment requiring the assessment of new members for deaths occurring previous to their initiation. As this amendment was subsequently adopted by striking out Section 2 of Law 3, all new members of the order would have to help pay the old debts incurred by the old members under a contract of life insurance. In other words, the new members would be required to pay for insurance which they never got, but which the old members did, and the old members would shirk a portion of their own obligations and place them on the shoulders of the new members.

REPUDIATION RECOMMENDED.

Another feature of the order is the payment of benefits to members who have attained the age of seventy-five. So very few persons attain that advanced age that the payments under that provision could not be onerous, but "there have been some applications for the benefit," and the Grand Councilor, in great alarm, advises the Grand Council at Petaluma as follows: "It may be prudent for you to advance the age at which this payment is made, considering the number who are advancing toward that limit. *It behooves us to gather up and around us all those helps which will tide us over our present straightened condition.*" And the "help" thus unblushingly suggested, and afterward adopted by the Grand Council, was the repudiation of the claims of a few poor old men, who have paid their assessments only by dint of a hard struggle and many little sacrifices, in the belief that their declining years would be soothed by the payment of benefits. The Grand Council voted that the limit should hereafter be eighty years. If the order had survived two or three years, we suppose the Grand Council would again advance the limit, and cheat the octogenarians out of their benefits, for it would "behoove us," as a pickpocket might say, "to gather up and around us all those helps which will tide us over our present straightened condition."

A RESERVE FUND OBJECTIONABLE.

The Grand Councilor thought it wise to dispense with a reserve fund, anyway, for then the order could tell claimants to go to thunder! He didn't say so in exactly those words, but that is what he meant when he said: "Indeed, there is a vital question, whether a reserve fund is of any advantage. If we are slow in payment and the nominee is anxious for his money, the fact of our owning property is a flattering inducement for a suit and an attachment; if we have no property, we fear no such steps." Expressed differently, a co-operative without a reserve fund need not pay its debts; and that is the only kind of a co-operative that can survive.

DISMAL PROSPECTS.

But even if the property were sold or mortgaged, the prospects of the Order of Mutual Companions were very discouraging, according to the admission of the Grand Councilor himself. He says: "We may expect about thirty deaths next year, and if we levy as in the past we can pay for eighteen, certainly not more than twenty, leaving us in arrears from ten to twelve. *Therefore the same phase of affairs will appear next year as now!* We should provide in our laws for a *pro rata* payment. If we are based upon a *pro rata* payment, and an assessment brings in only $1,600, we pay that part and it cancels all obligation, and here is no drawback or arrearage to be made up."

PRO RATA PAYMENTS.

In accordance with the foregoing suggestion of the Grand Councilor, the Grand Council passed an amendment providing for *pro rata* payments of all claims, thus requiring the nominee to take his or her proportion or nothing, "and such amount shall be payment in full of all claims against the order." Thus the order of Mutual Companions most unwillingly verify the predictions of the old-line life insurance companies, and confess that it is impossible for a co-operative to furnish life insurance in any specified amount.

The Chicago University trustees have concluded to redeem the property, recently foreclosed by the Union Mutual Life. The judgment in favor of the Douglas heirs has been set aside, therefore, in order to give the University managers a chance to be honest because they must.

The Home Benefit Association of San Francisco — Answers to Anxious Inquirers.

So many inquiries relating to the status of the Home Benefit Association of this city have been received since that local hat-passer became the subject of litigation, that we deem it proper to review the case for the benefit of those persons most interested, and in answering one answer all. In the latter part of last August an injunction suit was begun against the association for the violation of Section 437 of the Civil Code. Attorney-General Marshall began the action in behalf of the State. The law was plain. The Home Benefit Association had not complied with the express provisions of that law. The managers of the association admitted that they had no case. They did not dare go into court, and therefore secured an extraordinary postponement of six months, by some peculiar appeal to or influence with the Attorney-General. The object of this postponement was to procure special legislation in behalf of the association. The association failed in its designs. The new law relates to fraternal societies only, and under any possible interpretation, affords no relief to the Home Benefit. The association is not a fraternal nor a purely mutual organization, for it has stockholders, to whom it pays dividends. It is therefore subject to the law governing stock insurance corporations. Not having complied with the law, the association is not a legal corporation and cannot make a legal contract, according to a recent decision of a San Francisco court. The managers admitted this when the injunction suit was begun, and therefore went to the Legislature for relief. Failing to get such relief, the accident branch was reorganized as the Home Accident Association. The design was to comply with the provisions of the new law, which is assumed to permit and govern assessment accident insurance.

In the case of Albee *v.* the Home Benefit Association, the San Francisco court above referred to decided that the business of the association as conducted is illegal. The plaintiff and the defendant being equally at fault, both having been parties to an unlawful contract, the court ruled that the law will not assist either party in altering his position. This important decision leaves every claimant at the mercy of the managers. If they see fit to dispute any claim, however just, its payment will not be enforced by the courts, the insurance contract being as illegal as a gambling contract. With this decision before them, men who are willing to risk co-operative insurance will be likely to seek elsewhere for the article.

It may be asked why the Home Benefit Association is permitted to do an unlawful business. The association "has a friend at court." The Attorney-General, with indecent haste, dismissed the injunction suit brought against the association. He dismissed the injunction suit without notifying the prosecuting witness or his attorney, before the new mutual benefit law went into effect. It is clear that the new law does not govern the association, it being a stock corporation. The prosecution wished to test the question in the courts, but the Attorney-General, who is a friend and a member of the association, would not prosecute the case. The inevitable conclusion is that as the friend of the association, he was afraid to submit the question to the courts.

To sum the matter up briefly, the Home Benefit Association, according to a decision of a San Francisco court, is transacting an unlawful business. Its contracts of insurance are illegal and will not be enforced by the courts. The association is permitted to transact this illegal business through the friendship or personal interest of an official who declines to do his duty and has abused the privileges of his position.

It is not necessary, in this article, to discuss the character of the alleged life and accident insurance furnished by the association and its offspring, the Home Accident Association. It is enough to say that it is assessment insurance. When a member dies or is injured, the managers circulate the hat. If the collections pay the claim, the claimant is in luck. If he gets anything at all, besides disappointment, he is still in luck. Sensible, prudent men will take no such chances, when they can procure sound,

genuine life or accident insurance from solid, reliable companies.

For particulars of the value of a certificate in the Home Benefit Association, the reader is referred to R. F. Simpson, proprietor of a livery stable in Oakland. Mr. Simpson was disabled for four weeks, but the asssociation refused to pay his claim, alleging that as he was able to hobble about on crutches he was not totally disabled and therefore not entitled to indemnity. No solvent and honorably managed company would have made so ridiculous a plea. Being sued, the managers concluded to compromise with an offer of half of the claim and all the costs. As the claim was for a hundred dollars only, the offer was accepted.

The reader is also referred to the beneficiaries of Mr. Leebeck, of Santa Clara county, whose claim ($5,000) against the association was placed in the hands of an attorney in this city for collection. The attorney threatened to sue the association, but the managers merely laughed at the attorney, and defied him to do his worst. They impudently declared that a judgment against their association was worthless, and that if necessary to avoid the payment of a judgment they could disincorporate and afterwards reincorporate. They would not have admitted that a judgment against the ascociation would be worthless, nor threatened to disincorporate if necessary to avoid the payment of a judgment, if the Leebeck claim could not have been enforced in the courts.

Another California Supreme Court Decision.

A watchman of a building is one who takes care of it in the night-time. He ceases to be a watchman when away from the premises.

THE WATCHMAN CLAUSE—OVERVALUATION—BREACH OF CONDITION.—Wenzel *v.* The Commercial Ins. Co.; Cal. S. C., August 29, 1885.—This is an action on a policy of insurance issued by defendant to plaintiff on the 7th day of October, 1881, by the terms of which, in consideration of a certaim premium paid the former by the latter, defendant insured the plaintiff, for the term of one year, on his certain quartz mill, situated in the county of Tuolumne, and on other property in the policy enumerated, against loss by fire.

Among the conditions contained in the policy are the following: "It is understood and agreed that a watchman shall be employed by the assured to guard the premises during such time as the mill is idle. * * Any false representation by the assured of the condition of the property, * * * or any overvaluation thereof, * * * or any false or fraudulent representation to the authorities touching the property hereby insured, * * * or any change in the possession without the written assent of the company, shall render the policy void." These are the important conditions affecting the policy which it is material to consider in this case, and all of which, it is claimed by the company, have been violated and disregarded by the plaintiff. The mill was destroyed by fire on the 2d day of August, 1882, and within the time covered by the policy of insurance. The company refused to pay the loss incurred, and this action was brought to recover the same of the company. Plaintiff had judgment of the Court below. Appellant moved for a new trial, which was denied by the Court, and the appeal is from the judgment as well as the order denying the motion for a new trial. At the time of his application for insurance, the plaintiff represented to one Dieckman, the agent of the company, that the property covered by the policy was of the value of $12,000, and the defendant, believing such representation to be true, insured the property on the basis of a valuation thereof of $12,000. This is the fourth finding of the Court. The Court further finds in the same finding that the property was of no greater value than between $8,000 and $9,000, but the plaintiff did not intentionally deceive Dieckman, the agent of the defendant, but, on the contrary, the plaintiff estimated the property at its cost, which was the sum of $12,000. How far did this false representation of value, although not made fraudulently, affect the validity of the contract? Was it a breach of a condition of the policy?

Another important fact in the case appears clearly from the evidence, that the insured reported to the authorities in giving in this property for assessment, that its value was only $500, and on that amount only he paid taxes on the property for the fiscal year 1881 and 1882.

Another point made on behalf of the defense, is that the policy contained a condition to the effect that a watchman should be employed by the insured to guard the premises during such time as the mill should be idle. Was that condition kept and observed by the plaintiff? The sixth finding is "that during the space of five weeks immediately prior to the 16th day of October, 1881, said quartz mill was continuously in operation crushing ore from the Lynch quartz mine; that thereafter said mill was idle until June, 1882; that it was idle from on or about the 1st day of July, 1882, to the 2d of August, 1882, at which time said mill was destroyed by fire, and that it was idle at the time of its destruction."

By the thirteenth finding the Court finds that one Lynch was employed to watch and guard the mill; and appellant's counsel makes the point that this is not a finding that Lynch was employed as a watchman of the premises. However this may be, it is apparent from the uncontradicted evidence in the case, that Lynch was not employed as a watchman of the premises within the sense and meaning of the contract. It appears that Lynch was working in his own mine, twenty-two hundred feet distant from the mill, for six or seven hours during the day, and that at night he slept in a house nine hundred feet from the mill, between which house and the mill a hill intervened, which prevented this co-called watchman from seeing the mill. The mill was burned and destroyed without waking Lynch, and the first intimation he had of the destruction of the property was in the morning after the fire. He was too far away from the property during the hours of the night, when it most required watching, to be of any use whatever as a watchman of the premises. A watchman, according to Webster, is a sentinel, and a watchman of a building is one who takes care of it during the night time. There are other reasons apparent from the evidence in this case for holding that the conditions of the contract for a watchman on the premises were not kept by the insured, but we have confined ourselves to the undisputed facts of the case.

Another point made by the appellant is that the condition of the policy in regard to a change in the possession of the property was broken by the insured. In the ninth finding it is found by the Court as a fact in the case, that on the 17th day of January, 1882, the plaintiff and others, without the consent of the defendant, leased the property insured, and surrendered the possession thereof to Joseph Hoskins and his associates. This was a breach of a condition in the policy, which rendered the same void, according to the express language thereof.

We are of the opinion that, according to the findings of the Court and the uncontradicted evidence in the case, the plaintiff was not entitled to judgment. A breach of any one of the conditions contained in the policy was a fatal breach on the part of the assured, and a good defense to his right of recovery. (Sections 2607, 2612, Civil Code.)

We cite the following authorities as bearing on the points decided in this case: Gladding *v.* Ins. Co., 4 W. C. Rep. 106; May on Insurance, Sections 156, 157; Ripley *v.* Ins. Co., 30 N. Y. 162; Civil Code, Section 2611.

Judgment and order reversed.

MORRISON, C. J.

Portland Correspondence.

PORTLAND, OR., Aug. 26, 1885.

Humbugs flourish in hard times. As the times are growing better, the days of that alleged insurance company, the State, of Salem, Oregon, are probably numbered. Get ready your crape!

Since writing you last, our suburban town, Albina, has had quite a blaze, showing that their fire extinguishing facilities are "no good." The bucket brigade turned out in force and worked with a will, but the fire got the best of them, and only through Chief Morgan's assistance was a disaster averted. The water in Albina is very hard

to be got at, and if the inhabitants do not immediately look after this matter, they may some day wake up and find their town a thing of the past.

We flatter ourselves that Portland conflagrations are matters of ancient history; a good deal of which we have a right to attribute to careful underwriting, for, during the present dull snap, we find that with former experience we cannot be too careful; but the country, as usual, draws pretty heavily on us. Walla Walla has caused some pretty good sized drafts. Their fire department can stand considerable improvement. In the last fire, because several frame buildings were uninsured, and a brick had insurance, they allowed the brick to go by default in their efforts to save the frames. This is hardly the correct thing. If Walla Walla rates are generally advanced the fire department may be blamed.

Alkali had a good sized fire, and came nearly being totally destroyed, but Robinson's circus men did some very effective work, although they were working to save themselves. Mr. Fenn, of Jacobs & Easton, was up there to adjust the losses.

Hard times, and consequently a lack of business, made me think that a little vacation would be beneficial to myself and a menace to my creditors, so I hied to the sea side. On my return I stopped at Astoria, and after taking the town in, I can hardly recommend it from an insurance standpoint. Rates there are not a bit too high; frame ranges of a very inferior quality seem to be in preponderance, and taken in connection with the ocean breeze, they might safely be let alone.

J. W. G. Coffran leaves shortly for an Eastern trip, combining business and pleasure.

Mr. Kirchner, for the last two years connected with the Compact office, has gone permanently to San Francisco.

Tom Bennett, of the Pacific Mutual, has been paying us an extended visit. He has appointed Ward Douglas district agent of the Accident Department, and Donald Ross agent of the Life Department. Both gentlemen have located their office at the corner of First and Pine.

Henry Hewitt has been recently appointed agent for the New England Mutual Life Insurance Co.

Mr. Flint, of the Hartford, has been paying us an extended visit.

The Walla Walla burnt district is to be rebuilt with brick.

A recent fire at Rockford, W. T., destroyed the flour mill there—insurance, $9,000.

Mr. Andrew, of the New Zealand, visited your city this month.

Rumors of the compact breaking up come to us with sullen but forcible forebodings.

Yours very truly,

NAOLS.

Semi-Annual Figures.

The following table shows the midsummer condition of a number of American and (branches of) foreign fire insurance companies, together with a comparison with their condition on January 1st. About half of the companies show a decline in assets, and the general showing is unfavorable. We acknowledge our indebtedness to the *Investigator*.

		Assets.	Net Surplus.
Agricultural,	Jan'y 1	$1,782,720	$134,551
Watertown, N. Y.	June 30	1,845,124	124,764
American,	Jan'y 1	1,721,424	844,750
Newark, N. J.	June 30	1,701,703	823,220
American,	Jan'y 1	1,768,092	406,642
Philadelphia,	June 30	1,774,431	370,639
British Amer. Can.	Jan'y 1	724,139	314,583
U. S. Branch,	June 30	763,821	327,316
California,	Jan'y 1	1,020,175	112,425
San Francisco,	June 30	959,758	136,296
Citizens,	Jan'y 1	1,090,668	309,642
New York,	June 30	1,074,541	319,146
Com'l Union, Eng.	Jan'y 1	2,368,554	908,420
U. S. Branch,	June 30	2,251,111	855,196
Concordia	Jan'y 1	442,592	90,987
Milwaukee, Wis.	June 30	470,040	92,484
Fire Association,	Jan'y 1	4,106,425	678,796
Philadelphia,	June 30	4,039,091	649,577
Fire Ins. Ass'n,	Jan'y 1	967,581	391,873
Eng., U. S. Br.	June 30	911,220	372,272
Firemens,	Jan'y 1	1,433,645	775,347
Newark, N. J.	June 30	1,482,317	818,468
Franklin,	Jan'y 1	3,050,305	801,525
Philadelphia,	June 30	3,038,359	770,778
German,	Jan'y 1	1,650,798	223,998
Freeport, Ill.	June 30	1,728,176	226,653

Girard,	Jan'y 1	1,227,662	541,389
Philadelphia,	June 30	1,205,376	532,069
Glen Falls,	Jan'y 1	1,368,025	663,873
N. Y.	June 30	1,398,307	683,485
Guardian,	Jan'y 1	1,216,634	761,081
U. S. Branch	June 30	1,225,114	782,214
Hamburg-Bremen,	Jan'y 1	934,535	389,568
U. S. Branch,	June 30	950,567	449,532
Hanover,	Jan'y 1	2,546,512	459,447
New York.	June 30	2,431,337	400,767
Home,	Jan'y 1	7,395,090	1,141,726
New York.	June 30	7,260,058	1,030,803
Home Mutual,	Jan'y 1	856,658	250,806
San Francisco,	June 30	896,845	223,365
Imperial, Eng.	Jan'y 1	1,478,580	723,535
U. S. Branch,	June 30	1,479,137	617,849
Lancashire, Eng.	Jan'y 1	1,488,322	681,950
U. S. Branch,	June 30	1,453,520	614,928
Liv. & Lon. & Gl.	Jan'y 1	5,941,474	2,580,994
U. S. Branch,	June 30	5,918,563	2,614,971
London Assur-	Jan'y 1	1,363,997	767,149
ance, U. S. Br.	June 30	1,347,159	735,685
London and Lanc.	Jan'y 1	1,415,424	650,996
U. S. Branch,	June 30	1,413,321	627,784
Merchants,	Jan'y 1	1,207,589	340,702
Newark, N. J.	June 30	1,190,985	321,650
National,	Jan'y 1	1,770,302	425,746
Hartford, Ct.	June 30	1,761,930	409,466
New Hampshire,	Jan'y 1	1,014,580	214,060
Manchester,	June 30	1,045,166	216,799
N. British & Merc.	Jan'y 1	3,301,747	1,924,955
U. S. Branch,	June 30	3,300,975	1,975,548
Niagara,	Jan'y 1	1,851,597	331,447
New York,	June 30	1,898,795	338,252
Northern, Eng.	Jan'y 1	1,294,526	720,282
U. S. Branch,	June 30	1,315,616	727,230
Norwich Union,	Jan'y 1	1,124,819	601,956
U. S. Branch,	June 30	1,155,493	612,038
Northwest'n Nat'l	Jan'y 1	1,223,352	213,929
Milwaukee,	June 30	1,178,586	194,309
N. Y. Bowery,	Jan'y 1	885,269	252,314
New York,	June 30	879,179	252,251
Phenix,	Jan'y 1	4,342,430	640,991
Brooklyn, N. Y.	June 30	4,440,218	610,835
Phœnix, Eng.	Jan'y 1	1,503,476	460,374
U. S. Branch,	June 30	1,795,873	512,821
Queen, Eng.	Jan'y 1	1,760,319	731,912
U. S. Branch,	June 30	1,754,923	774,133
Royal, Eng.	Jan'y 1	4,444,773	1,983,590
U. S. Branch,	June 30	4,502,581	2,257,568
Springfield F.&M.	Jan'y 1	2,562,510	236,374
Mass.	June 30	2,593,895	251,586
Sun Fire Office,	Jan'y 1	1,675,132	459,877
U. S. Branch,	June 30	1,702,840	420,299
Sun,	Jan'y 1	465,789	48,374
San Francisco,	June 30	471,593	92,524
Traders,	Jan'y 1	1,164,818	306,572
Chicago, Ill.	June 30	1,124,251	287,406
Union,	Jan'y 1	1,112,258	113,138
San Francisco,	June 30	1,136,851	124,637
United States,	Jan'y 1	561,579	221,018
New York,	June 30	559,863	226,939
Western,	Jan'y 1	881,294	312,710
Toronto, Can.	June 30	871,026	341,666
Williamsburg City	Jan'y 1	1,191,180	439,269
Brooklyn, N. Y.	June 30	1,181,874	438,117

The Universal Accident Indemnity Co. of San Francisco Irresponsible—A Trick to Pass the Insurance Department.

We stated in the August issue of the COAST REVIEW that E. D. Wheeler, the Treasurer of the Universal Accident Indemnity Co.. of San Francisco, was a highly respected citizen, and that he had evidently been misled into the use of his name without due investigation. We retract both statements.

The Universal Accident Indemnity Company has not succeeded in getting a certificate from the Insurance Department, for the reason that the managers, including the Treasurer, have been unable to raise the first installment ($25,000) of the $100,000 cash capital required. Messrs. Wheeler and Stuart and Graham have interviewed the Insurance Commissioner several times to see if they could not prevail upon him to accept bonds or their personal obligations in lieu of the coin, but in vain of course.

The latest scheme of these men is to borrow $25,000 for a few days, and depositing the money to the credit of the company, present the Commissioner with the required evidence of their solvency. Mr. Wheeler, the Treasurer, has endeavored to borrow the money for that purpose. At least one capitalist in San Francisco was offered a liberal bonus for the use of $15,000 for a few days, that sum to be deposited to the credit of the company under a pledge that no checks should be drawn against it. Learning the purpose of this peculiar offer, he refused to grant the loan.

James M. Stuart, one of the three leading spirits in this accident insurance project, has a very bad record. He has been under arrest, has been in jail, and is now

wanted in Rhode Island for swindling a woman out of $1,500. E. D. Wheeler, the Treasurer of the Universal Accident Indemnity Co., knew of Stuart's bad record, yet became his associate in the venture.

In view of these facts, it is not probable that the Insurance Commissioner will grant a license to the company without the most satisfactory evidence that the coin is actually the property of the company. Should the company eventually receive a license from the Commissioner, however, our readers are now in possession of facts which will warrant them in withholding any confidence in the enterprise.

Is the United States Treasury an Agent of the Mutual Reserve Fund Life Association?

Many charges have been made against the management of various government departments by political opponents, which may or may not have been true, but we have been placed in the possession of reliable information which convicts the National Treasury Department, or some of its most prominent officials, of a meaner abuse of power than any yet alleged by the warmest partisan. We plainly declare that under the recent administration, the Treasury Department of the United States was made to serve as an agency for the Mutual Reserve Fund Life Association of New York. Employés of the Department were compelled to insure their lives in that co-operative fraud on pain of dismissal from the public service. How far this contemptible abuse of power extended is, of course, mere conjecture, but as it is certain that the responsible official was high in authority, it is probable that the thousands of Treasury employés became members of the association under compulsion.

A deputy collector on this Coast—whose name, of course, it would be improper for us to divulge—says that he personally knows that several Treasury officials require their subordinates to take out certificates of life insurance in the Mutual Reserve Fund Life Association. Among these guilty officials is Major Havens, internal revenue collector of Washington Territory. N. W. Spaulding, the late U. S. Sub-Treasurer in this city, is also charged with using his influence with his political friends in behalf of the Mutual Reserve hat-passer.

It remains for Mr. Havens and other heads of departments to say whether, in intimidating government employés, they acted under instructions from their superiors, or whether they were merely acting as the paid agents of a wild-cat life insurance association. As the latter theory is highly improbable, the conclusion is that some high official connected with the Treasury Department under the last administration, and possibly under the new, is guilty of a most contemptible abuse of privilege. Who is he? Other high officials must connive at the imposition. Is the reward political or pecuniary? Did the Mutual Reserve Fund pay them with coin, or certificates of insurance, or "influoence?"

It may be remembered that the managers of the association took an active part in the last campaign, and endeavored to "swing" the members of their own and other associations for one of the candidates, alleging that he was "friendly" to assessment life insurance, and had placed all co-operatives under obligations. Was this exercise of real or pretended political influence undertaken with an understanding that the perversion of the civil service in the interest of the Mutual Reserve Fund Life Association should be continued under the new administration?

The Indiana Insurance Commissioner says that the mutual assessment companies are dying off rapidly. A year ago there were twenty-five hat-passers in that State; now there are only twelve. They also ought to die, he says.

Jottings is the name of a Baltimore co-operative paper. The assessments are collected in advance. We suspect that *Jottings* is the organ of an unsavory Baltimore hat-passer. C. C. Pratt, an organizer of assessment frauds, who has run away from Kansas, is denounced as a "dishonest blatherskite." We have heard of thieves crying "stop, thief." Perhaps C. C. Pratt is in California.

Damages for Diverting Good Will of Sub-Agents.

A short time ago the Fire Association of Philadelphia abolished its general agency at Cincinnati, and instructed the sub-agents reporting to that agency to report to the home office in the future. The general agents, John H. Law & Co., consulted counsel as to their legal rights in the premises. In the meantime the company sued them to recover a balance due on the past business. The answer and cross-petition filed in the U. S. Circuit Court raised the question as to whether the general agents, as owners of the business and of the good will thereof represented by the sub-agents in their territory, could be disturbed in the possession of such good will by the company, as narrated, without the latter becoming liable for damages.

A motion was filed by the Fire Association addressed to the sufficiency of the answer and cross petition of Law & Co., the company claiming that they had a right to do all the things as stated by Law & Co., without infringing or violating any legal right of those gentlemen. Upon a hearing before Justice Mathews of the United States Supreme Court, sitting with the District Judge in the Circuit Court, a full discussion of the proposition was heard, and the motion was overruled, Justice Mathews holding that if the Fire Asssociation of Philadelphia had been guilty of the conduct described in the answer and cross-petition of Law & Co., and if the other facts were as alleged by them in their said cross-petition, a sufficient statement in law had been made out by Law & Co.; and all that remained for them was to prove, before a jury, the extent of the damage which had resulted to them in the premises, which amount would be set off against the claim of the plaintiff.

During the cutting of rates in Chicago in the months of May and June last, one well-known insurance company of prominence is credited with writing insurance on dwellings for five years at one-half per cent., when the digging of the foundation had not been commenced, nor the plans drawn for the same. Fact.—*Spectator*.

The Co-operative Record.

The following table presents the income and expenditures of ninety-three assessment life insurance associations, as shown by sworn reports for 1884, made by the officers to various State Insurance Departments. For these interesting figures, in so convenient array, we are indebted to a compilation by W. H. Burr, of the Detroit *Indicator*. The expense ratios which accompany the income and outgo figures tell an unimpeachable story of expensive management, and clearly prove the money-making designs of the organizers of assessment associations. For example, the Commercial Mutual, of Detroit, Mich., collected $15,897 from its members, and returned in death benefits $8,726. The cost of collecting and disbursing these sums was $9,954, the officers evidently drawing all the funds on hand. This was paying more than a dollar for every dollar paid to beneficiaries. Another example was that of the Modern Woodmen, of Fulton, Ill. The mighty sum of $677 was paid to weeping widows and orphans, and this "insurance" cost only $5,138. Still another example of expensive management is supplied by the National Benefit Society, of New York, which last year paid $3,686 in losses, at a cost of $16,064. What would a man say if an agent should collect a dollar for the family of a deceased fellow-member, and then charge five dollars for delivering the dollar? Yet that is just what the officers of the National Benefit Society of New York did, according to their own sworn reports. It is not to be doubted that the sworn reports of our California co-operatives would disclose equally discreditable figures. They fought State supervision because they were afraid to publish reports of receipts and expenditures.

The following table and similar tables of co-operatives are faulty in omitting the percentage of losses paid to losses incurred. Most claims are not paid in full, for when the hat goes round many members fail to "chip in." This information cannot be obtained until the co-operative managers are required to give it in their annual reports. As it is, bad as the showing is for the hat-passers, it is considerably better than the facts warrant:

COMPANY.	Began Business.	INCOME.				EXPENDITURES.			Ratio of Expense to Income.
		Fees and Dues.	From Assessments.	From other sources.	Total Income.	Losses Paid.	Expenses Paid.	Total.	
American Co-operative Relief Association, Syracuse, N. Y...	1880	$5,822	$37,204	$850	$43,877	$28,608	$8,280	$36,888	18.7
Bankers' Life Association, DesMoines, Iowa	1879	27,166	11,687	64,277	103,131	15,214	24,486	39,700	23.7
Bankers' and Merchants' Alliance, New York City	1881	7,129	6,986	.....	14,115	8,750	6,179	14,929	43.
Beneficiary Department, Knights Militant, Detroit, Mich...	1884	1,757	3 435	608	5,801	2,130	1,617	3,747	27.8
Bloomington (Ill.) Mutual Life Benefit Association	1884	15,206	72,589	.....	87,795	56,307	22,845	79,152	26.
Canton (Ill.) Masonic Mutual Benevolent Society	1884	1.961	21,555	.....	23,517	18,815	4,942	23,757	21.
Central Michigan Life Association, Marshall, Mich	1883	4,101	1,941	.....	6,042	1,588	4,454	6,042	73.7
Chicago (Ill.) Guaranty Fund Life Society	1884	5,514	.....	270	5,784	.....	5,208	5,208	90.
Cincinnati (O.) Life Association	1880	10,930	26,015	6	36,952	22,857	8,322	31,179	22.5
Citizens' Mutual Relief Association, Wellington, Ohio	1874	14,078	110,262	1,240	125,580	113,732	21,234	134,966	16.9
Commercial Mutual Association, Detroit, Mich	1880	4,154	11,743	.....	15,897	8,726	9,954	18,681	62.6
Covenant Mutual Ben. Ass'n, G. Rapids, M. & Galesburg, Ill	1885	81,603	302,493	50,296	434,393	338,176	61,143	399,320	14.
Dayton (O.) Life Association	1880	3,919	12,256	1,862	18,038	8,526	6,254	14,780	34.4
Detroit (Mich.) Mutual Benefit Association	1880	33	14,844	60	14,937	15,786	5,074	20,860	33.9
Douglas Life Association, Chicago, Ill	1884	2,223	1,449	4,438	8,110	.....	6,696	6,696	82.5
Economical Mutual Benefit Association, Sandy Lake, Pa	1880	26,491	9,856	190	36,537	7,803	24,282	32,086	66.4
Equitable Accident Association, Binghamton, N. Y	1883	8,256	3,067	.....	11,323	2,976	8,086	11,063	71.4
Equitable Mutual Relief Society, Boston, Mass	1881	6,748	11,707	10	18,466	11,880	6,762	18,643	36.5
Equitable Reserve Fund Life Association, New York City...	1883	6,945	4,561	.....	11,506	3,402	5,910	9,312	51.3
Family Fund Society, New York City	.....	21,895	.....	.....	21,895	.....	21,885	21,895	100.
Fidelity Mutual Life Life Association, Philadelphia, Pa	1879	38,178	67,759	12,115	118,053	51,129	51,910	103,040	43.9
German Mutual Benefit Association, Chicago, Ill	1884	3,635	18,677	491	22,804	16,740	4,019	20,759	17.6
Golden Chain, Order of, Baltimore (Md.)	1881	3,736	27,748	737	32,222	22,366	4,544	26,911	14.1
Great Western Workingmen's Aid Ass'n, Roodhouse, Ill	1884	14,866	17,113	.....	31,980	14,154	16,872	31,026	52.7
Guarantee Life Insurance Co., Baltimore, Md	1882	923	19,991	8	20,922	15,425	5,290	20,716	25.2
Home Mutual Life Association. Lebanon, Pa	1877	4,335	57,541	240	62,117	36,523	16,878	53,401	27.1
Home Benefit Society, New York City	1882	11,370	22,837	229	34,436	18,224	15,429	33,653	44.8
Home Benefit Association, New York City	1882	17,648	65,775	1,645	85,068	64,222	19,010	83,233	22.3
Home Provident Safety Fund Association, New York City...	1880	7,402	8,810	167	16,380	8,013	6,374	14,687	38.9
Home Mutual Aid Association, Zanesville, O	1879	2,331	19,796	984	23,111	16,753	5,928	22,682	25.6
Ionia Co-operative and Mutual Benefit Ass'n, Ionia, Mich....	1877	351	1,185	191	1,728	1,669	732	2,401	42.3
Keystone Mutual Benefit Association of Allentown, (Pa.)...	1878	9,915	30,483	397	40,795	25,703	14,456	40,160	35.4
Mahoning Valley Mutual Relief Ass'n, Youngstown, O	1877	2,468	17,183	1,343	20,994	20,230	4,010	24,241	19.
Masonic Guild and Mutual Benefit Ass'n, New York City....	1879	2,962	14,476	89	17,528	9,262	5,179	14,441	29.5
Masonic Mutual Life Association, Cleveland, O	1883	4,743	5,905	123	10,772	3,387	7,000	10,387	64.9
Masonic & Minist'l Rel'f Ass'n, of Col'bia Co., Chatham, N. Y.	1872	2,066	3,533	325	5,925	6,418	2,422	8,841	40.8
Marshall (Mich.) Mutual Aid Association	1881	14,299	14,621	.....	28,921	9,303	18.941	28,245	65.4
Masonic Mut. Benevolent Ass'n of Central Ill,, Mattoon, Ill.	1884	1,983	111,140	115	113,238	91,400	18,653	110,053	16.4
Masonic Relief Association, Clayton, Ill	1874	1,989	11,175	105	13,269	11,023	2,510	13,533	18.9
Masonic Mut. Benefit Society of Indiana, Indianapolis, Ind.	1869	34,647	236,205	366	271,218	195,357	81,567	276,924	30.
Massachusetts Benefit Association, Boston, Mass	1879	68,468	314,238	4,950	387,656	311,000	70,891	381,891	18.7
Mercantile Mutual Accident Society, Albany, N. Y	1881	5,191	6,526	424	12,141	5,389	6,577	11,966	54.1

Michigan Mutual Benefit Association, Hillsdale, Mich	1881	4,452	41,350	.....	45,803	32,700	8,947	41,647	19.5
Michigan Equitable Life Association, Sturgis, Mich	1883	738	1,180	.....	1,918	1,132	633	1,765	33.
Michigan Aid Association, Kalamazoo, Mich	1880	428	4,323	... .	4,751	15,110	860	15,970	18.
Modern Woodmen of America, Fulton, Ill	1884	5,074	1,847	87	7,008	677	5,138	5,816	73.3
Mutual Aid and Accident Ass'n (Class A), Rochester, N. Y	1880	9,190	30,406	.....	39,596	28,883	9,499	38,383	23.9
Mutual Aid and Accident Ass'n (Class B), Rochester, N. Y	1880	4,348	11,244	6	15,598	9,382	5,360	14,743	34.3
Mutual Benefit Life Association of America, New York City	1883	52,928	33,593	827	87,350	18,112	53,763	71,876	61.5
Mutual Relief Society, Rochester, N. Y	1879	53,246	186,995	27	240,268	171,904	60,626	232,531	25.2
Mutual Reserve Fund Life Ass'n, New York City	1881	162,942	660,678	121,641	945,261	479,967	300,306	780,273	31.7
Mutual Trust Fund Life Association, New York City	1882	23,630	58,054	708	82,394	41,494	27,993	69,487	33.9
Mutual Sickness and Accident Society, Reading, Mich	1883	2,084	2,542	.....	4,626	1,831	2,719	4,551	58.7
Mutual Benefit and Aid Society, Chicago, Ill	1874	4,390	870	292	5,554	3,298	1,778	5,077	32.
Mutual Masonic Association, Chicago, Ill	1880	1,322	7,053	.....	8,375	6,641	2,088	8,730	24.9
National Benefit Association, Indianapolis, Ind	1883	21,460	23,811	... .	45,271	32,935	22,814	55,750	50.3
National Aid Society, Chicago, Ill	1883	2,034	1,061	.....	3,095	748	2,077	2,826	67.1
National Benefit Society, New York City	1882	11,587	4,222	4,875	20,684	3,686	16,064	19,750	77.6
National Life Association, Columbus, O	1881	9,450	53,551	16	63,018	38,000	13,742	51,742	21.8
New Home Life Association, Nashville, Ill	1884	2,396	3,364	42	5,803	3,412	2,249	5,662	38.7
New York National Mutual Aid Society, Rochester, N. Y	1881	9 665	67,919	3,162	80 746	59,109	15,715	74,824	19.4
New York Safety Reserve Fund, New York City	1883	10,864	1,222	12,483	24,569	3,128	16,439	19,568	66.9
New York State Mutual Benefit Association, Syracuse, N. Y.	1881	13,779	16,104	1,784	31,668	10,517	16,800	27,317	53.
New York State Relief Association, Albany, N. Y	1885	3,661	21,875	1,081	26,618	21,978	4,178	26,157	15.6
Northwestern Masonic Aid Association, Chicago, Ill	1874	43,968	526,828	833	571,629	468,997	99,728	568,725	17.4
North American Mutual Benefit Association, Chicago, Ill	1880	5,618	9,550	2,454	17,622	6,229	8,286	14 515	47.
Northw't'n Benev't & Mut. Aid Ass'n of Ill., Bloomington, Ill.	1881	23,120	62,547	.....	85,667	53,810	30,625	84,435	35.7
Northwestern Mutual Benefit Ass'n, Detroit, Mich	1884	977	10,977	25	11,981	2,370	2,857	5,228	23.8
Odd Fellows' Benevolent Society, Chicago, Ill	1884	593	12,097	501	13,191	7,927	5,551	13,478	42.
Ohio Mutual Aid Association, Mt. Vernon, O	1879	735	7,289	291	8,316	5,929	2,906	8,836	34.9
Ohio Mutual Relief Association, Cincinnati, O	1873	4,679	43,851	15,930	64,460	52,837	11,730	64,568	18.1
Pennsylvania Mutual Protection Ass'n, Pittsburgh, Pa	1879	13,649	.....	100	13,749	10,219	4,923	15,142	35.8
Perpetual League of Protection, Ashley, Ill	1884	5,080	1,954	507	7,541	1,665	5,862	7,527	77.7
Peninsula State Mutual Benefit Ass'n, Ithaca, Mich	1883	8,079	2,602	.....	10,682	1,782	8,899	10,682	83.3
Peninsula Masonic Aid Association, Caro, Mich	1884	3 095	206	.....	3,301	196	3,105	3,301	94.
Peeple's Mutual Benefit Association Westerville, O	1877	18,886	58.598	.....	77,484	59,500	23,538	83,038	30.3
Phœnix Mutual Aid Ass'n of America, Cincinnati, O.	1882	4,390	3,736	783	8,910	4,323	5.154	9,477	57.8
Provident Life Association, Baltimore, Md	1884	12,685	13,142	95	25,922	9,500	14,655	24,155	56.5
Reserve Mutual Life Association, Grand Rapids, Mich	1883	3,689	5,302	640	9,631	5,061	4,444	9,505	46.1
Scandinavian Mutual Aid Association, Galesburg, Ills	1884	6,701	1,425	7	8,134	1,269	6,205	7,475	76.2
Security Mutual Benefit Society, New York City	1882	7,561	15,211	119	22,922	18,601	7,561	26,162	32.9
Southern Ohio Mutual Benefit Ass'n, Dayton, O	1880	4,866	9,655	3,046	17,568	11,604	5,530	17,134	31.4
Temperance Mutual Benefit Association, Easton, Pa	1870	1,894	14,536	430	16,861	13,050	4,519	17,569	26.7
United States Mutual Accident Ass'n, New York City	1877	68,933	226,224	11,677	306,834	116,062	171.810	287,873	59.2
Union Mutual Association of Battle Creek, Mich	1879	10,348	31,715	.....	42,063	28,899	18,761	47,661	44.6
Union Mutual Association, Bath, N. Y	1881	19,650	29.016	1,700	50,367	24,980	21,423	46,404	42.5
United Workmen, Anc't Order Select Knights, St. Louis, Mo	1881	1,887	10,055	3,425	15,367	10,055	3,886	13,941	25 2
Valley Mutual Life Ass'n of Virginia, Staunton, Va	1879	83,370	125,373	27,705	236,449	118,587	69,430	188,017	29.3
Western Mutual Benefit Society, Bushnell, Ill	1883	8,105	9,699	15	17,820	8,232	9,418	17,651	52.8
Western Union Mut. Life and Accident Soc., Detroit, Mich	1880	43,700	122,604	.....	166,304	128,225	43,308	171.533	26.
Western Mut. Protection & Relief Ass'n, Bellefontaine, O	1873	4,233	27,047	893	32,173	26,654	7,475	34,129	23.2
Women's Mut. Ins. & Ac'dt Co. of America, New York City	1883	20,484	3,298	2,881	26,665	7,368	20,400	27,768	76.5
Young Men's Mutual Life Association, Cincinnati, O	1878	7,174	8,920	.....	16,094	7,750	7,629	15,379	47.4

Short-Rate Cancellations.

SAN FRANCISCO, Aug. 17, 1885.

EDITOR COAST REVIEW—"Cashier" in the August COAST REVIEW gives a rule for cancelling short term policies, which works very well in the problems given where the proportion of one-twelfth of the term gives one-fifth of the premium, but leaves us in the dark as to what fraction of the premium would be earned in one-twentieth, one-fortieth, or any other fraction of the term. "Cashier's" method is longer than is necessary, as he takes the fraction of the term to get the fraction of the premium, thus making two calculations when one only is needed.

The question as to whether the policy to be cancelled was written short rate, pro rate, half rate, full rate, or double rate, does not enter into the calculation in cancelling, as the rate for the term for which the policy was written was the proper rate for that term, and we retain when cancelling the short rate, of that rate, according to our annual short rate table. This table in use on the Pacific Coast has the merit of being plain, practical, easily understood, and is as near equitable as one can be made to cover all kinds of cases. It is based on the following percentages or fractions, and for the purpose of making the short rate of any given rate, we use the percentage table based on the annual rate of $1 on $100, or as we say, 1 per cent., and for the purpose of cancellation we assume that the annual premium is divided into one hundred parts, hundredths, and giving the table as follows:

2 days	for short rate	3	%	for	cancel'g	3	100ths,	or	parts.
5	"	"	"	7	"	"	7	"	"
10	"	"	"	10	"	"	10	"	"
15	"	"	"	13	"	"	13	"	"
20	"	"	"	17	"	"	17	"	"
1 month	"	"	"	20	"	"	20	"	"
45 days	"	"	"	28	"	"	28	"	"
2 mos.	"	"	"	30	"	"	30	"	"
75 days	"	"	"	38	"	"	38	"	"
3 mos.	"	"	"	40	"	"	40	"	"
4	"	"	"	50	"	"	50	"	"
5	"	"	"	60	"	"	60	"	"
6	"	"	"	70	"	"	70	"	"
7	"	"	"	75	"	"	75	"	"
8	"	"	"	80	"	"	80	"	"
9	"	"	"	85	"	"	85	"	"
10	"	"	"	90	"	"	90	"	"
11	"	"	"	95	"	"	95	"	"
12	"	"	"	100	"	"	100	"	"

This table can be committed to memory in an hour, and then Mr. Cashier, Special, or Local will have at all times a short rate and a cancellation table at his fingers' ends. Try it.

To find short rate of any given annual rate, multiply the annual rate by the per cent. opposite the short term.

Example: Short rate of 7 % for 4 months is 7 %×50 %=$3.50.

Short rate of 4 % for 3 months is 4 %×40 %=$1.60.

Short rate of 8 % for 10 days is 8 %×10 %=.80.

To find the earned premium on any given premium, for short term:

Take the number of "hundredths" or "parts" opposite the time in force as the enumerator, and the number of hundredths or parts opposite the term for which the policy was written as the denominator, and this fraction will give the earned premium.

EXAMPLES.

Short rate of policy in force 2 months, written for 6 months—premium, $7.

$$\frac{\text{2 mos.}=30}{\text{6 mos.}=70} = \tfrac{3}{7} \text{ of } \$7.00=\$3.00 \text{ R. P.}$$

Cancelled 2 days:

$$\frac{\text{2 days}=3}{\text{6 mos.}=70} = \tfrac{3}{70} \text{ of } \$7.00=30\text{c.}$$

If the term be two years, divide the time in force and term by 2, and proceed as above:

EXAMPLE:

Policy written for 2 years, in force 8 months, premium $10.00.

$$\frac{\text{8 mos.}\div 2=4 \text{ mos.}=50}{\text{24 mos.}\div 2=12 \text{ mos.}=100} = \tfrac{1}{2} \text{ of } \$10.=\$5.$$

Cancelled 15 mos.:

$$15\div 2=7\tfrac{1}{2} \text{ is } 8=80$$

$$\frac{}{24\div 2=\quad 12=100} = 8\%=\$8.00$$

If term be three years, divide time in force and term by 3, and proceed as above.

EXAMPLE:

Policy written for 3 years, in force 12 months, premium $20.00.

$$\frac{\text{12 mos.}\div 3=4=50}{\text{36 mos.}\div 3=12=100} = 50\%=\$10 \text{ or 1 year premium.}$$

Cancelled at 8 months:

$$\frac{8 \text{ mos.} \div 3 \text{ is } 3 = 40}{36 \text{ mos.} \div 3 = 12 = 100} = 40\% = \$8.00$$

Yours truly, X.

Words of Wisdom.

[By the Wise Men of the East.]

During the year 1884, the Mutual Life of New York, the Mutual Benefit of Newark, and the Connecticut Mutual of Hartford, collected for premiums $22,905,661.35, but during the same year they paid back to policyholders:

For death claims	$10,148,468.77
For endowments and annuities	3.520,166.09
For surrendered policies	4,529,418.81
For dividends or returned premiums	5,356,279.60
	$23,554,333.33

The amount returned to policyholders during 1884 was $648,671.98 more than was collected from them.

HOW ASSESSMENTS SHOULD BE GRADED.

The assessment plan can never have a fair trial and a reasonable hope of permanence until assessments are graded according to the *current* age of the member in each successive year instead of the *original* age at time of becoming a member. The gradual and after a time very rapid increase in the rate of assessments owing to advancing age, would deprive the assessment plan of the appearance of cheapness which is now mistakenly claimed for it; but the plan, thus corrected, would be free from the just criticism to which it is now open, of deluding its patrons with hopes and expectations which, from the nature of the case, can never be realized.—*Sydney N. Ogden.*

NOT LITIGIOUS.

Life insurance companies are not fond of litigation, and reasonably so, for juries with little sense of justice, manifest a fixed prejudice against the companies, and it is not too strong a statement to make, that the average American jury will invariably give the suing beneficiary the benefit of any doubt in their minds and award a verdict against the contesting company.—*Spectator.*

LIFE POLICY PHRASEOLOGY.

Definiteness and simplicity in the insurance contract are highly desirable. It may be said that the true insurer has but a single idea. His desire to protect his family is unalloyed with the hope for great money return to himself. The policy which is clear and concise in its phraseology, which makes the explicit promise he is after in the fewest words, is the one above all others which he prefers. Brevity and perspicuity are nowhere more admirable, rhetorically, than in a policy of insurance.—*N. Y. Chronicle.*

SO SAY WE.

Life insurance was designed to benefit the masses; and to make it acceptable to them, it must be based on a reasonable cost for the service performed and be stripped of all obstructive technicalities that serve only to confuse and mystify its presumed beneficiaries. Of the old regular form of life insurance too much cannot be said in praise. It is based upon the lowest cost to the purchaser that is consistent with absolute safety. While this is a fact understood by those who have investigated it, the thousands of people who need just such a form of insurance and who can readily pay the small amount needed to secure it, still stand aloof because the matter is not properly placed before them in a clear and comprehensive way.—*N. Y. Review.*

SEVENTY PER CENT. CO-INSURANCE.

The compulsory co-insurance resolution now pending in the Tariff Association, proposes to require "70 per cent. co-insurance," somewhat in the manner now required of wood-worker's risks. There is strong opposition to it on the ground that it will tend to still further play into the hands of the non-tariff companies.—*Monitor.*

THE COMPACT MEANS FAIR RATES FOR ALL.

During the consideration of the valued policy bill before the New Hampshire Legislature, recently, a member spoke as follows: "An objection to the present state of insurance matters is, that some agents are

rascals. In every profession, lawyers, merchants, doctors and farmers, there are a few rascals. Do we legislate against these classes on this account? Insurance agents are no more rascals than other classes. Combinations among insurance companies to regulate rates are in the interests of the insured —if it were not for these combinations, those who have millions of insurable property would give their business to agents who would give them special rates, and people with a small amount of property would pay higher than others. It is not true that there is a great amount of litigation in insurance cases. It is said insurance companies repudiate the acts of their agents. The law says that facts within the knowledge of the agents shall be considered to be known to the companies. Repudiation is impossible under this law."

OBLIGATIONS OF UNDERWRITERS.

There is an obligation which every man who writes a policy of insurance takes upon himself, and that is the obligation of a good citizen. The man who writes a policy on a risk from which every avoidable cause of fire danger has not been removed, or who writes in a sum greater than the value of the property insured, or for a man whose habits of life and whose character of business is offensive to the community surrounding him, is not a good citizen. In the one case he promotes a general business demoralization; in the next he suggests arson; and in the last he disregards a sound morality. None of these are attributes of good citizenship.—*S. F. Covington.*

INSPECTION BUREAU.

Let a competent judge of risks, who is also possessed of energy and earnestness of purpose, be appointed to take up systematically the inspection of every risk in the town or city he may visit. Let him be provided with credentials showing his authority to inspect for every one of our members, so that when he enters upon a premises, the owner may know that every company whose policy he holds is represented by the inspector. Let a suitable blank be prepared, designed to exhibit the different features of a risk, and then let such inspector enter upon his work, which shall be to examine systematically every risk from cellar *to top of roof*, noting all the features, pointing out defects, and making suggestions.—*C. F. Low.*

A HEROIC REMEDY.

Call a halt, and stop your agents from canvassing for business. Many will shudder and many smile at so heroic a remedy, and deny that this is a correct diagnosis of the case. Let us see if it is. What is the present position of the agent to his company? Is it that of an agent, except in the routine of business, in signing and recording company contracts? I declare to you that the pernicious doctrine—that the "business belongs to agents"—has placed this agency matter where companies are afraid to assert their position as principals, in the dread of seeing their business pass to the books of some other company. In too many instances the companies have become the agents of their agents, acceding to the demands of the latter as to the conduct and management of the business. Is it not seen in daily transactions? Look at the position assumed at instructions to cancel a risk (so diligently canvassed for), and what is the threat? I will place it in some other company; and so it goes through the line of companies, till at last it sticks, and then the business of the offending company drops from its books to add to that of the less prudent manager (because the latter writes more liberally), he in turn receives a volume of premiums, but fortunately almost without exception a corresponding volume of loss.—*W. N. Hawks.*

SCHEDULE RATING.

The opponents of the compact system, like the Socialists, would reduce everything to a dead level. They would compel the companies to insure all risks, good and bad, at the same rate, and offer no encouragement whatever for their improvement and the diminution of their hazards. Every risk has its proper rate, and when that is ascertained no other should be imposed on it. Schedule rating is the only just and equitable rating. It is scientific and fair,

and its tendency is to lessen hazards and lower rates. No other system can permanently effect this object. To bring it to anything like completeness companies must combine, compare their experiences, arrange their data, compute their averages, compile tables and draw inferences and arrive at as accurate an estimate as possible as to the correct rate for the various risks and classes of risks they are called upon to insure.—*Insurance Times.*

FIRE INSURANCE RESERVES IN ENGLAND.

There is no branch of the insurance business where the serving up of accounts in accordance with the taste of the different managers is more extensively practiced than in the case of fire insurance reserves. Some offices transfer the whole of the gross balances of the fire insurance account to profit and loss, whilst others keep what is called the reserve up to a certain percentage of the premium income on the fire insurance account, carrying the balance forward to next year. Any arbitrary percentage must essentially be erroneous, if not in one year, most certainly in another.—*London Review.*

THE DAY OF HIGH RATES PAST.

The present condition of the business of insurance in the United States is the subject of profound thought and anxiety on the part of all intelligent underwriters. It seems clear to all that the day of high rates of premium is past, and that, while certain inequalities of tariffs in localities of exceptional demoralization will probably be corrected, we shall never again see rates which will be ample enough to provide "loading" for either fools or knaves—for incompetent underwriting, or the moral hazard which, in the opinion of careful observers, has caused fully one-third of the losses of past years. It may safely be assumed that something of the pressure upon prices in other branches of business, due to greater production and cheaper commodities, from automatic machinery dispensing with labor in manufactures and agriculture, will be felt in our own, and that property holders will be more opposed than ever to any material—especially if inequitable—increase of rates.—*F. C. Moore.*

CONTINGENT COMMISSIONS.

The question, first, for us to consider is what we can to do in order to enlist the best efforts of that minority of agents who are selfish and indifferent to their duties, and, second, how we can pay our honest agents in such manner as to induce them to give *more of their valuable attention to our business.* The most powerful factor of human nature is self-interest; the average man always works better for himself than for anybody else. No man knowingly cheats himself. If we can identify the interests of the class of agents first named with our own, we may rely on their best efforts in our behalf. If we can, on the other hand, so reward the honorable agents engaged in the business, by paying them according to the results of their labor, we will secure more of their attention to our business than they can now afford to give to it under the present system of payment. Under a straight commission the best class of agents make less after a year's hard labor, in many cases, than do the dishonest agents working in the same town who write greater volumes of premium, secured by the higher rates of objectionable risks, and, as a natural consequence, at the end of the year, it frequently happens that the man who has by careful supervision gone through the entire twelve months without a loss to his company has received less money than the one who has lost all of his premiums, and more. Surely such a system is wrong, and always will be wrong. The good agents should be paid more, the poor agents should be paid less.—*F. C. Moore.*

A NEW LIFE INSURANCE DOCTRINE.

The new doctrine is that the family of the insured who dies young get more than they have paid for in receiving the face of the policy, and that in the matter of dividends and surrender values those who live, and not those who die, are the ones to be considered. As one writer puts it, he has paid premiums for more than a score of years, and feels that he is the one to be taken care of rather than the new entrant. We cannot protest too earnestly or too strongly against this doctrine, which only

needs to be carried to its logical conclusion to destroy life insurance. Every man who insures his life pays a full equivalent for the protection sought, and if he dies his family get no more than they are entitled to in getting both the face of the policy and its share of the company's earned surplus. The surplus in a life company being merely the amount of the over-payments of its policyholders, by what right does our friend claim a share in our over-payments?—*Weekly Underwriter.*

Withdrawal of the Glasgow & London.

The Glasgow & London Insurance Company, of Great Britain, which entered this field at the beginning of the present year, has withdrawn, after reinsuring its outstanding risks in the South British and National. No reasons are assigned for this step. The resolution to withdraw was evidently a very recent one, and was not based on any dissatisfaction with the Pacific Coast business of the company. In June last, Mr. C. W. Pearce, the ex-manager of the Glasgow & London, visited this city with authority to make a new contract with the general agent, John Landers. A Pacific branch, to report direct to the home office and not to the Montreal office, was substituted for the former general agency.

Mr. Landers was appointed manager, under a salary and a contingent The new arrangement began on July 1, with the understanding that while awaiting confirmation of the contract by the home office, Mr. Pearce reserved until August 31, before formally consummating the same. Otherwise the contract was not to be abrogated by either party without ninety days' notice. Under the new order of things, Mr. Landers went to some expense in refitting his office and providing new stationery, and employed additional clerical help. As there had been no intimation of the withdrawal of the company, the sudden announcement to that effect was a great surprise and disappointment to all concerned. It was an unbusinesslike proceeding on the part of the company, whose treatment of its general agent, Mr. Landers, deserves a harsher epithet, for he had worked up a profitable business of $20,000 in premiums.

The Glasgow & London reported a cash capital of $333,150 on the 1st of January, but it had some difficulty in passing the California Insurance Department. A charitable construction of the peculiar circumstances of the withdrawal of the company from the State inclines us to the belief that the managers suddenly concluded they probably could not again pass an examination. Hence, the resolution to retire from the State. This belief is not detracted from by recent events in England, where an unsuccessful attempt was made to reorganize the company by a coalition with the Victor.

The Montezuma Hotel Fire at Las Vegas.

It is currently reported that two prominent companies—one foreign and one American—wrote the whole line of $125,000 on the new Montezuma Hotel at Las Vegas, New Mexico, and then reinsured down to the ordinary line carried. Part of this re-insurance was effected in San Francisco. From a private letter received from Las Vegas we are permitted to make the following extract:

"In regard to the loss on the new Montezuma Hotel, will say that Mr. Lewis, of Chicago, one of the adjusters, was in my office on the afternoon of the 26th, and he says the loss on the furniture will be hopelessly total. The insurance on furniture is $25,000, and the loss and damage amount to more than $38,000. The loss on the building, he thinks, will not fall short of $80,000 (with insurance of $100,000).

"It now comes to light, that away up in the large attic of the hotel were two doors, neither of which could be locked. One of these doors was near the large round tower, and the other one was near the square tower. These doors being unprovided with locks, any evil disposed person could enter at one of these openings and set the building on fire and make his escape from the other opening.

"No settled theory seems to have been fully agreed upon by the adjusters in regard to the origin of the fire. Mr. Lewis, who seems to be well posted in regard to electric lights, says he does not think the fire originated from that source. The electric light used was the incandescent, not the Brush."

Harper on Assessment Insurance.

The following copy of a circular issued some three years ago by an agent of an old line life insurance company, shows what Mr. E. B. Harper (now president of the Mutual Reserve Fund Life Association) thought at that time of assessment societies:

"SOCIETIES *v.* LIFE INSURANCE.

"$1,000 must be paid in assessments alone, for each $1,000 received from societies, ten per cent. being collected for expenses. In the John Hancock, under the above plan, $1,000 insurance cost on the average but $567, or about one-half. In societies old members receive no income from their previous payments, but their assessments increase as they grow older. In the Hancock, under the above plan, old members pay no premiums after twenty years; and thereafter they receive an annual cash income from their previous payments, in societies a neglect to pay assessments causes a loss of all previous payments. In the Hancock, under the above plan, $2.50 is secured and guaranteed for each $1.41 paid; this, too, in addition to the current insurance furnished while the annual premiums are paid. In societies, if there are 1,000 members, the average duration of life being thirty-three years, thirty deaths on the average must occur per year. New members only increase the number to die, and thereby increase the assessments. If only six members out of 1,000 should die per year, it would require 166 years for 1,000 members to die.

"No society can pay out more money than it receives. If it agrees to pay $1,000 to each member, it having no other source of revenue, then each member on the average must contribute $1,000 in addition to the current expenses. Those who live along must make up the deficiency on those who die early. Therefore societies possess the elements which must cause in the future, as they have caused in the past, their early dissolution, thus bringing disappointments at a time when many of their members cannot secure genuine insurance on account of ill-health, poverty, or advanced age; all the money paid to these societies by these living members being absolutely lost.

"The John Hancock's income from its investments now on hand to the credit of its members (not including the premium income) is more than enough to pay its entire losses and officers' salaries.

"One dollar at compound interest becomes $8 in 33 years, the average duration of life. The John Hancock Mutual Life Ins. Co. receives compound interest—its business is based upon it—while societies do not receive, and their business is not based upon, compound interest. And it is a fact that not one man in one thousand receives compound interest throughout life except through life insurance companies.

E. B. HARPER."

Compact Difficulties Adjusted—The New Outsider Enters the Fold.

About a month ago, fire underwriting circles in this field were much disturbed by the prospect of the disruption of the Pacific Insurance Union. First the State Investment gave notice of withdrawal, then the Home & Phœnix and Transatlantic sent in similar notices. Matters assumed a very sombre aspect, and it was freely predicted, on the street and by the press, that the days of the compact were numbered. It may be stated in this connection that the more representative business men of the city, in their indifference to the issue, showed that they have no complaints to make against the compact, but evidently appreciate its value in maintaining a high grade of indemnity and equal rates.

President Bryant, of the State Investment Insurance Company, withdrew because certain companies were permitted to renew their risks in one section of the State at

such rates as they chose to ask. Their local representative had resigned and was about to transfer these risks to the Southern California Insurance Company. Mr. Bryant contended that this special privilege was not warranted and was a bad precedent. There was also some difficulty in relation to the appointment of a solicitor who was engaged in some other business. The other companies, the Transatlantic and the Home & Phœnix, withdrew chiefly because it was their expressed resolution to permit no outsider to forage on their preserves.

It is not improbable that the refusal of the Southern California Insurance Company was a determining factor in persuading the several companies to secede, for its operations outside of the compact were annoying, and its possible success a standing menace of similar opposition. The directors of the company, who had grown skeptical as to the wisdom of the reckless policy pursued by their managers, held a meeting on the 3d inst., and resolved to enter the compact. They wisely preferred a small, safe and profitable business to a large, unsafe and probably unprofitable business. We congratulate the directors on this their first conservative step as underwriters. Mr. Sigler, the President of the Southern California, may well congratulate himself on the happy turn of affairs, for it has at least prolonged his official life, and will afford him an opportunity to acquire some rudimentary lessons in sound underwriting.

The Executive Committee, and especially the President of the Pacific Union, Charles R. Story, are deserving of special praise for the indefatigable industry, admirable tact and rare skill employed in amicably adjusting the differences which led to the estrangement of the seceding companies. The preservation of the compact at this crisis in its affairs was undoubtedly largely due to Mr. Story's personal efforts.

Many complaints have been urged against the Union by members and local agents. Some of these complaints have doubtless been reasonable, and others as certainly unreasonable. Mistakes have undoubtedly been made, but they have been such mistakes as were inevitable in a new undertaking like the compact, which is still in the experimental stage. There would perhaps be fewer grounds for complaint if less special legislation were undertaken, for it is the experience of all organizations that the friction increases when regulations apply to too many details of conduct.

It is the purpose of the Union to equalize rates—not to raise them. While rates have been lowered in the aggregate, the process of equalization has necessitated an increase of rates in some localities or on some risks, but there has likewise been more than a corresponding reduction elsewhere. These changes have been made as a measure of justice to the assured as well as to the companies; but the man whose rates were lowered thinks it all right and says nothing, while the man whose rates were raised as the result of a new survey of his property thinks it all wrong and raises a howl of indignation. The public hears nothing from the former, but its sympathies and resentments are aroused by the wails of the latter.

Undoubtedly the surveyors are sometimes too hasty in their inspections and wrong in their conclusions, so that the rates imposed are actually unjust. The remedy does not consist in abuse of "the monopoly" and appeals to prejudice. Let the insured, through the local agent, properly present his reasons for believing that the surveyor was in error, and his petition will receive due consideration. If the risk is better than represented, the rate will be reduced to correspond.

The compact is a good thing for the companies, for the local agents and for property-owners. It secures living rates for the companies, a legitimate and profitable business for the local agent, and in adjusting rates fairly and improving risks it considers the rights and serves the interests of property-holders. Many local agents do themselves and their patrons an injustice by ignoring the main equities of the case and fostering the prejudices of the insured. To join in a senseless howl of "exorbitant rates" and "damned monopoly," as many agents do, is not only unmanly, but wins no business. On the contrary, such abuse

must persuade many property-holders to reduce their lines or temporarily dispense with all insurance, for it is, happily, still a part of American human nature to resist the demands and foil the designs of a monopoly. If people believe, as some unthinking locals would have them believe, that the compact is a monopoly, they will reduce their insurance, and at the same time reduce the commissions of the pandering local. It is the interest of the local to deal fairly with the companies in any controversy concerning the compact.

Foreign Notes.

The New York Life Insurance Co. is about to erect a magnificent building in Vienna on valuable property recently purchased.

There were 7,500 suicides in France last year, or five times as many as in the United States. La Belle France was not so *belle* for these unfortunate and rashly importunate wretches.

An insurance institute has been organized in Ireland. The president is Harold Engelbach, of the National Insurance Co. of Ireland. The objects are both social and professional.

The mortality from cholera in Spain is appalling, over 70,000 persons having died, according to the official record. As many as one thousand deaths a day are reported. Famine follows the pestilence.

The vegetarians in England are about to begin keeping tally on the lives of the people who believe in their theory of diet. They will try to place the lives of vegetarians in some particular company.

The contents of an American hand grenade were recently analyzed by Professor Ador, of the University of Geneva, who found that the fluid, evaporated to dryness, leaves one-third of solid substance, consisting of two ordinary salts, viz: 10 per cent. of sal ammoniac and 25 per cent. of table salt. The fluid can evolve no carbonic acid, as pretended, but only steam. As the aforesaid salts are cheap, anyone can fill a bottle with this kind of fluid at the expense of a few cents.

Bernardis' Benzine Motor, which has recently been invented, is now being largely introduced in Vienna, and will no doubt, on account of its great economic success abroad, soon be introduced in the United States, when it will endeavor to supplant gas machines. The property of benzine of readily vaporizing at ordinary temperature has been utilized to the utmost degree in this machine, making its use exceedingly hazardous.

"Do you know," Capt. Shaw, the chief of the London fire department, is visiting America again, and, just to humor these Americans, will inspect the methods and appliances of various American fire departments. It is not to be expected that he can learn anything? Oh, Shaw, no! But he will take back with him a complete and well assorted stock of Yankee notions, to be transformed into Shaw-brand-new original English notions. "It's English, you know!"

In London the law fixes the maximum price of standard gas at a rate fair for the companies, limits the dividends to 10 per cent. a year on the capital, and establishes a sliding scale according to which the dividend may be increased one quarter of one per cent. with each reduction of a penny in the price of gas. Under this arrangement consumers get gas at about 70 cents and the stockholders satisfactory dividends. No such law is required to limit the dividends and lower the rates of the fire insurance companies. The ambition for "more busisnes" is more effective than any restrictive legislation.

A woman was insured in France, and the policy was assigned to the agent of the company. The claim which arose in the following year was disputed on the grounds that proposer, who was represented as of sŏber habits and good moral character, was on the contrary notoriously given to debauchery and intemperance. The court decided that this plea could not be admitted on the following grounds: it appeared from the evidence that the false information emanated from the agent, and that the only questions which the proposer was required to answer were the following, viz: whether she had

been vaccinated or had had small pox, and whether she had suffered from any illness or infirmity. These were truthfully replied to, and it was held that the proposer was not called upon to give information as to her habits, which was not asked for, inasmuch as no malady had declared itself at the time the insurance was effected. The company might proceed against the agent for irregularities, but could not withhold payment of his claim on the plea set forth.

From the report of the British Board of Trade we learn that during the nine years preceding 1884, 10,318 wrecks and casualties occurred to vessels in the merchant service of Great Britain and its colonies. These disasters cost the lives of 3,392 passengers and 21,324 seamen. Tables embodying these figures apparently show that a steady increase in the number of such disasters has been going on. Thus, the second period of three years in this term of nine showed over the first an increase of 230 in the number of disasters, while the third showed an increase of 339 over the second period. The loss of seamen in the first period was 1,250, and in the third only 962. During this period of nine years the total loss by wrecks was nearly 3,000,000 tons, and by casualties not involving total loss, damage amounting to over 28,000,000 tons. A moderate estimate of the value of the tonnage thus put out of existence is stated to be over $130,000,000, and this without taking any account of the value of the cargoes. Of the total number of vessels lost in the term of nine years 696, with 8,497 men on board, are classed as "missing," and have never been heard from. The wrecks by stranding were 57 per cent. of the number lost, and it is stated as an "undoubted fact" that a considerable proportion of these strandings were due to guilty negligence. The steady increase in the number of sailing vessels-lost, seems to indicate an indifference as to their fate which cannot be satisfactorily explained.

One of the papers to be read before the Chicago convention of underwriters next month is by a Mr. Best. We anticipate our punning contemporaries in the announcement that it will certainly be the Best paper.

Ship Owners Can Afford to be Reckless.

It is a fact, and a fact to be regretted, that the pecuniary interest of ship-owners, speaking generally, in the safety of their ships is not as great now as it formerly was. An owner may now send his ship to sea almost secure against any loss that can occur. This was not always so, but several changes have come about of late years tending in this direction. To instance some of these. The law still is, and the practice used to be, that in case of an accident and the repair of the ship, the owner paid one-third of the cost of the repairs, and the underwriters two-thirds. Frequently now, by a special clause in the policy, the underwriters take upon themselves the whole three-thirds of the cost, and leave the owners free. Again, by the terms of a Lloyd's policy no claim for damage is recoverable which does not amount to three per cent. of the policy, and formerly in the case of small damages owners had no pocket but their own to go to. Now, however, they commonly insure against small damages in clubs established for the purpose. Then, thirdly, it used to be the case that of damages by collision paid for to the owner of another ship three-fourths only were recoverable from the underwriters, and the owner had to find one-fourth himself. But from the liability for the fourth also owners have now learned to free themselves by insurance. Other instances might be given of the tendency we speak of; but let these suffice.

And side by side with this process of shifting liabilities from owners to underwriters, another has been going on, viz: a steady rise in the premiums of insurance on steamers. We ask, without much doubt as to the correct answer, are these two sets of facts connected as cause and effect, or is it a mere coincidence that they occur together? The increase in premiums, in face of a keen competition by underwriters, means that claims for losses and damages have been heavier than they were. We do not find it necessary to paint the character of ship-owners in dark colors before we can believe that the absence of pecuniary interest in

the safety of their ships tends to increase accidents. In times like these, of super-abundant tonnage and low freights, ship-owners have a difficult task in hand to make ends meet, and the inducement is great to save every penny which can be saved in the ship's manning and outfit, and to carry every ton of cargo possible.—*London Economist.*

Marine Items.

A well known underwriter at Lloyds', finding that he was interested in a loss posted up in their rooms, would recklessly accept all risks offered him, and so take in sufficient premiums during that day to pay for the loss incurred. Had our underwriters been guided by this principle during the last few months, they would have found that their experience had been dearly bought, for lately Marine losses have been numerous and heavy, whilst their receipts were extremely small.

Among the many losses reported since May last, we find the following important ones, viz.:

British ship *Earl Dalhousie*, sunk in our Bay; after many attempts the vessel was successfully raised in a bad condition, and will require considerable repairs to place her in a seaworthy condition.

British ship *Perthshire*, from Astoria, ashore, and total loss, near Cape Horn; five thousand cases salmon shipped to Rio, and balance of cargo salved sold in a damaged condition at very low prices.

Whalers *Rainbow*, *Gazelle*, and *Napoleon*, crushed in the Arctic Ocean.

Schooner *Annie Hermine*, ashore at Laguna, but got off considerably damaged.

Ship *Alameda*, from Liverpool into Rio in distress, and discharged part of cargo for repairs.

Ship *Bargany*, hence for Cork, jettisoned part of cargo durtng passage.

Ship *Blue Jacket*, in collision with tug *Tacoma*, on Puget Sound. Latter vessel badly damaged.

Schooner *Rebecca*, from Shanghai for this port with cargo of sulphur, into Hokodate in distress. Vessel condemned and sold.

Steamer *City of Tokio*, hence, total loss near Yokohama. Treasure valued at $441,-235 saved; balance of cargo valued at about $70,000 mostly lost.

Bark *Western Belle*, from Sydney, N. S. W., for Wilmington, Cal., abandoned at sea.

Ship *Melanesia*, from Newcastle, England, into Montevideo in distress. Cargo sold.

Ship *Yarra Yarra*, from Astoria for U. K., missing. Wreckage of vessel picked up off Montevideo.

Bark *Barracouta*, from Astoria for U. K., met with heavy weather during the voyage, and jettisoned 600 sacks of wheat.

Schooner *Annie F. Briggs*, ashore and a total loss at Makin's Island, Oceanica.

Steamer *Wildwood*, destroyed by fire on Puget Sound. Schr. *Perseverance*, ashore and totol loss at Tomales Bay, Cal.

Ship *Emily Reed*, from New York into Montevideo in distress.

Bark *Haddingtonshire*, from Astoria for Liverpool, ashore and total loss near Point Reyes, Cal. Cargo consisted of 12,514 bbls. of flour and 17,696 cases of salmon. Cargo washed ashore sold for $3,600. The following is the reported insurance on cargo:

British and Foreign	£5,500
Union of Canton	4,000
Canton	1,000
Sea	700
Thames & Mersey (reinsured in the Straits)	1,000
Fireman's Fund	4,000
Union of San Francisco	2,500
Chinese	1,500
Commercial Union	3,000
	£23,200

It is eurrently reported that besides the above, the Thames and Mersey Ins. Co. have £7,000 on the hull and £3,000 on cargo, accepted by their Portland agent.

Ship *Poonah*, from London into Rio in distress. Cost of expenses reported to be about £4,000.

Ship *Cilurnum*, from Newcastle, England, abandoned on fire. Cargo consisted of 1,600 tons Cowper's West Hartley coal, fire bricks, pig irqn. etc.

If some statistician would publish a detailed account of this coal trade from England, showing number of vessels leaving, their respective tonnage of coal, and the disasters and losses thereon, say for the last five years, we feel sure that it would be of

great value to our underwriters, as well as those abroad, as it would prove what the business could be underwritten with a reasonable profit to insurers. So far as we can learn, all companies who have written these risks have retired, after some expeperience, severely burned.

Bark *Montana*, hence for New Shagat, Alaska, went ashore at destination, and became a total loss.

Lumber laden vessels from this Coast, were reported as follows:

Bark *Nehemiah Gibson*, from Puget Sound for Melbourne, lost sails, shifted cargo, and part of deck load washed overboard.

Bark *Pacific Slope*, from Burrard Inlet for Sydney, lost sails and the whole of deck load, and was towed into Sydney waterlogged.

Bark *Kosciusko*, from Puget Sound for Sydney, lost sails, boats, bulwark planking and part of deck load during voyage.

Bark *Arabella*, from Burrard Inlet for Adelaide, jettisoned about half of her deck load and shifted under deck cargo.

Bark *Lorenzo*, from Burrard Inlet for Melbourne, put into Sydney, damaged and leaking; discharged cargo at a cost of £700. Vessel ultimately condemned and cargo sold.

Ship *John Da Costa*, from Burrard Inlet for Melbourne, arrived in a damaged condition.

Bark *Cowlitz*, from Puget Sound for Melbourne, lost sails and a considerable portion of her deck load.

Ship *Spartan*, from Puget Sound, ran ashore. Vessel returned, discharged cargo, and came to San Francisco for repairs; ship *Ericsson* chartered to take on cargo to destination (Sydney).

Schooner *American Girl*, from Humboldt for *Wainai*, Hawaiian Islands, ashore at destination; jettisoned deck load and got off; towed to Honolulu for repairs.

Ship *Ninevah*, from Puget Sound for Sydney, lost sails and other damage.

Bark *Royal Tar*, from Eureka for Sydney, lost deck load, sails, and damaged bulwarks, etc.

Two years back the Board of Marine Underwriters of our city were compelled by the many losses occurring to lumber laden vessels, to appoint agents at Burrard Inlet and Puget Sound to inspect all vessels leaving foreign bound, and carefully watch that they were not overloaded, and that their deck loads were properly secured. They unanimously agreed that no members of the board should accept any of these risks, unless they were duly approved by these agents as satisfactory in every respect. This wise precaution resulted in a material decrease of losses, for a better class of vessels were chartered, their cargoes carefully stowed, and their deck loads received special attention.

Through some cause, the Board dropped their Puget Sound agent, and as a natural consequence, losses are the order of the day; and what else can be expected when stevedores on the Sound grant surveyor's certificates on vessels loaded by themselves, setting forth that she is "well and properly loaded, deck load well secured, and entitled to the confidence of the underwriters." We hear that the Board, with the view of putting a stop to this "wholesale" custom of granting surveyor's certificates, has lately appointed a worthy and responsible man as its agent for the Sound district, and we hope to be able to show in the future a great decrease in the disasters of this trade.

We learn from those companies interested, that the following amounts will be about the net loss on the disasters before reported, which insurances were effected in our city, viz.:

Perthshire	$ 88,950
Tacoma	7,500
City of Tokio (cargo)	55,000
Melanesia	9,500
Yarra Yarra	53,500
Wildwood	9,000
Annie F. Briggs	3,600
Gazelle	17,000
Napoleon	4,000
Haddingtonshire	120,000
Cilurnum	15,600
Montana (hull)	8,000
Sundry losses	50,000
Total for three months	$441,650

Thomas Ross Maris, late President of the American Fire Insurance Company of Philadelphia, died on August 20, in his eightieth year.

FIRES.

July 13, San Francisco, mattress factory:
Guardian.....$2,000

July 28, Wilmington, Cal., frame dwelling:
Commercial.....$900

August 24, San Francisco, dwelling:
Agricultural.....$223

August 17, San Francisco, saloon:
North German.....$1,250

August 7, San Francisco, building:
Western, S. F.....$421

August 6, San Francisco, stevedore outfit:
North German.....$810

August 11, San Francisco, skating rink:
Western, S. F.....$337
State Investment..... 337
Commercial..... 400

August 18, San Francisco, dwelling and contents:
State Investment.....$1,275

August 21, San Francisco, furniture and wearing apparel:
New Hampshire.....$189

August 6, San Francisco, building:
Firemans, Baltimore..... $225
Continental..... 1,000

August 6, San Francisco, dwelling, stable furniture:
Agricultural.....$1,187
Allemannia..... 1,188

August 12, San Francisco, dwelling:
New Zealand.....$1,250

August 25, San Francisco, frame dye works:
Union, S. F.....$120
Phœnix, London..... 160
British America..... 200
Liverpool & London & Globe..... 320

August 24, San Francisco, brick building:
Royal, Norwich Union & Lancashire.....$162
Transatlantic..... 162

August 13, San Francisco, dwelling:
North German.....$1,050

August 15, Butte City, M. T., printing office, furniture, etc.:
North British & Mercantile.....$500

August 11, Grass Valley, Cal., merchandise and brick building:
Liverpool & London & Globe.....$206
Scottish Union..... 260
National, Hartford..... 150
Lion..... 103

August 17, New Tacoma, W. T., shingle mill and machinery:
North British & Mercantile.....$750
German American..... 750

August 17, Clark county, W. T., dwelling and furniture:
Oakland Home.....$450

August 11, Port Costa, Cal., dwelling:
Western, S. F.....$350
Hamburg Magdeburg..... 400

August 23, Crescent City, Cal., general fire:
Citizens.....$850
Fire Ins. Ass'n, London..... 850
Teutonia..... 850
New Orleans..... 850

August 18, Oakland, Cal., dwelling:
Western, S. F.....$550

August 25, Humboldt county, Cal., dwelling:
Phenix, Brooklyn.....$750

August 20, Park City, Utah, hotel:
Hamburg Magdeburg.....$940
Oregon..... 400

August 22, Astoria, Or., saloon, stock and fixtures and dwelling:
Lion.....$333
South British & National..... 500
Manchester..... 500
Scottish Union..... 500

August 25, Lancaster, Cal., frame dwelling and furniture:
Lion.....$950

August 11, Calaveras Co., Cal., dwelling:
Western, S. F.....$1,100

August 24, Alameda county, Cal., tool house and contents:
Phenix, Brooklyn.....$1,535

August 3, Livingston, M. T., furniture in dwelling:
South British & National.....$350

August 10, Tulare county, Cal., separator, etc.:
Oakland Home.....$542

August 29, Oroville, Cal., flour mill and dwelling:
Manchester..... $350
Ætna..... 1,000
London & Lancashire..... 450

August 14, Calistoga, Cal., frame building and general merchandise:
Royal, Norwich Union & Lancashire..... $148
Hamburg Bremen..... 1,300
Commercial..... 120

August 1, Los Angeles, Cal., machine shop:
American, N. J. $200

August 17, Geronimo Station, Cal., dwelling:
Phenix, Brooklyn $800

August 14, Fresno, Cal., barn and contents:
Hartford $394

August 14, Nevada City, Cal., dwelling:
California $300

August 20, Ogden, Utah, dwelling:
North British & Mercantile $1,000

August 20, Plymouth, Cal., building:
American Central $900

August 24, Cherokee, Cal., dwelling and contents:
Scottish Union $730

August 20, Traver, Cal., dwelling and contents,
Imperial, London, Northern & Queen $700

August 3, New Tacoma, W. T., dwelling and contents:
Imperial, London, Northern & Queen $1,830

August 1, Elmira, Cal., dwelling:
Home & Phœnix $1,000

August 6, Willows, Cal., barn and horses:
Oakland Home $830
Western, S. F. 830

August 17, Santa Clara county, Cal., frame barn and contents:
Liverpool & London & Globe $2,220

August 6, Sonora, Cal., dwelling and furniture:
Home & Phœnix $259

August 31, Salem, Or., dwelling:
Royal, Norwich Union & Lancashire $300

August 19, Plymouth, Cal., dwelling:
Helvetia $2,850

August 1, Tulare county, Cal., grain:
Oakland Home $120

August 14, Calistoga, Cal., frame hotel and contents:
Merchants, N. J. $1,000
Springfield 1,000

August 19, Oakland, Cal., household furniture:
Sun $802

August 23, Florin, Cal., winery:
Fire Ass'n, London $1,700
Oakland Home 1,810
Traders 1,480

August 28, Yuba county Cal., barn and contents:
American, N. J. $900

August 3, Pilot Hill, Cal., dwelling:
Phenix, Brooklyn $700

August 2, Livermore, Cal., grain in stack:
Connecticut $140
Firemans Fund 160

August 3, Florence, A. T., adobe stable and grain:
Firemans Fund $840
Hartford 1,260

August 29, Stockton, Cal., dwelling and barn:
Oakland Home $400

August 15, Butte county, Cal., hotel:
Scottish Union $2,200

August 11, Salt Lake City, Utah, hardware:
Connecticut $1,000

August 1, Placerville, Cal., frame bakery:
Firemans Fund $1,000

August 22, Oakland, Cal., furniture and wearing apparel:
Guardian $586

August 12, San Francisco Bay, schooner:
Phenix, Brooklyn $3,000

August 14, Stockton, Cal., saloon and contents:
Hartford $365

August 14, Stockton Cal., furniture stock:
Pennsylvania, Phila. $950

August 12, Fresno county, Cal., dwelling:
Phenix, Brooklyn $125

August 4, Napa county, Cal., blacksmith shop:
Ins. Co. of North America $1,000

August 12, East Portland, Or., dwelling:
Hamburg Magdeburg $600

August 20, Stockton, Cal., merchandise:
Western, S. F. $835

August 19, Alameda county, Cal., dwelling and contents:
Agricultural $1,950

August 29, Alameda county, Cal., hay warehouse:
Union, S. F. $4,500

August 18, Albina, Cal., dwelling and furniture:
Hamburg Bremen $1,500
Agricultural 1,000
Oakland Home 400

August 10, Chico, Cal.. barn, implements and dwelling:

Scottish Union	$1,450
Transatlantic	200

August 1, Butte county, Cal., barn and dwelling:

Phenix, Brooklyn	$1,350

August 14, Sacramento, Cal., dwelling and furniture:

Helvetia	$455
Hartford	1,033
Scottish Union	245

August 4, Antioch, Cal., dwelling:

Hartford	$400

August 16, near Portland, Or., dwelling:

Home Mutual	$995

August 7, Butte county, Cal., dwelling and contents:

German American	$1,000

August 15, Marysville, Cal., dwelling:

Phenix, Brooklyn	$508

August 22, Tulare, Cal., frame building and dwelling:

California	$1,085

August 14, Alameda county, Cal., dwelling:

Home Mutual	$600

August 10, Alkali, Or., general merchandise:

Western, S. F	$533
Howard	600
Merchants, N. J	750
Springfield	750
Concordia	500
German, Pittsburg	50
German, Ill	500

August 8, Mendocino county, Cal., barn:

Phenix, Brooklyn	$494

August 12, Mendocino county, Cal., hop kiln:

Home & Phœnix	$1,000

August 12, San Benito county, Cal.; dwelling:

Phenix, Brooklyn	$150

August 3, Oakland, Cal., general fire:

Fire Ass'n, London	$1,000
Home Mutual	1,300
Guardian	300
Connecticut	950
Bowery	700
Home & Phœnix	860
British America	600
American Central	300
Total	$6,010

August 4, Santa Cruz, county, Cal., cordwood:

Liverpool & London & Globe	$527

August 19, Oakland, Cal., dwelling:

Hartford	$950

August 18, Helena, M. T., contents of hotel:

North British & Mercantile	$1,000

August 26, East Portland, Or., dwelling and contents:

German American	$900

August 12, Jagel's Landing, Cal., hay warehouse:

Hartford	$675

August 24, San Joaquin county, Cal., barn:

Phenix, Brooklyn	$400

August 2, Ukiah, Cal., dwelling:

Home Mutual	$1,350

August 18, Helena, M. T., frame building:

Howard	$1,000

August 20, Stockton, Cal., dwelling and household goods:

American Central	$412

August 18, near Portland, Or., dwelling:

Home Mutual	$300

August 24, Rockford, W. T., flour mill:

London & Provincial	$3,000
Helvetia	2,500
City of London	1,000
Svea	1,000
Commercial Union	2,000
National of Ireland	500
Total	$10,000

August 25, Rockford, W. T., building and general merchandise:

South British & National	$500

August 8, Livingston, W. T., frame building and furniture:

Scottish Union	$250
National, Hartford	250
Continental	500

August 6, Newcastle, Cal., dwelling:

Connecticut	$540

August 19, Yolo county, Cal., dwelling:

Oakland Home	$125

August 12, Mountain View, Cal., hay in warehouse:

Sun	$456
Williamsburg City	456
Home & Phœnix	1,337
Connecticut	675
Firemans Fund	150

August 29, Alameda county, Cal., barn:

Home Mutual	$1,500

August 3, San Bernardino, Cal., dwelling and contents:

Manufacturers	$2,500
New Hampshire	2,000

August 7, Spokane Falls, W. T., dwelling and furniture:

Western, Toronto	$1,100
Phenix, Brooklyn	750

August 17, Walla Walla, W. T., general fire:

New Zealand	$695
Royal, Norwich Union & Lancashire	500
Home & Phœnix	1,074
South British & National	760
North British & Mercantile	3,805
Imperial, London, Northern & Queen	2,282
Firemans Fund	1,765
Pennsylvania, Philadelphia	400
American, N. J	650
California	425
Union, N. Z.	1,262
London & Lancashire	500
Phœnix, London	820
Western, Toronto	2,300
Lion	400
Orient	500
Fire Association, London	1,000
Continental	625
Teutonia	484
Commercial Union	800
Total	$21,047

August 24, Merced, Cal., general fire:

Phœnix, London	$150
North British & Mercantile	200
Manchester	725
Svea	500
Western, S. F.	2,503
Phenix, Brooklyn	4,000
Liverpool & London & Globe	508
Home & Phœnix	400
Fire Association, London	1,400
Continental	2,700
Teutonia	400
Boatmans	421
Total	$13,907

August 23, Tulare, Cal., buildings and general merchandise:

Manufaturers	$400
Western, S. F.	1,020
Pennsylvania, Pittsburgh	1,000
Bowery	150
German, Pittsburgh	900
Concordia	400
Oregon	400
Clinton	400
Springfield	700
Total	$5,370

August 8, Live Oak, Cal., frame building, merchandise and fixtures:

German American	$345
London & Lancashire	850

August 30, Portland, Or., furniture factory:

Commercial Union	$2,500
Firemans Fund	1,000
Oakland Home	1,500
Traders	1,000
Providence Washington	1,000
Guardian	2,000
Total	$9,000

August 1, San Bernardino county, Cal., quartz mill:

Royal, Norwich Union and Lancashire	$1,866
Liverpool & London & Globe	3,733
City of London	1,875
Imperial, London, Northern & Queen	1,493
Fire Ass'n, Phila	1,866
Total	$10,833
Grand total	$196,292

CHIPS.

—The State Ins. Co. of Salem, Or., advertises in the Portland papers, but is careful to omit any reference to its cash capital. "Seven thousand dollars" does not make an imposing array of figures.

—A table published by the New York *Commercial Bulletin* shows that among the shares of fifty-three local fire insurance companies only eleven show an advance in market value as compared with that of a year ago, twelve simply hold their own, two have retired from the list, while the remaining twenty-eight show a reduction varying from one to seventy points.

—"You haven't paid the last premium on your wife's life insurance, uncle 'Rastus," said the agent. "I know I hasn't. I got dat ole 'oman's life 'sured foah yeahs ago, sah, an' she hain't ben sick er day sence. Dis mawnin' she kicked me out ob bed wif wun fut. She weighs sixty poun's mo'n she ebber did. 'Bouter hour ago she eat a fo'ty-cent watermillion an' drunker quart ob cider, and am now sleepin' off the effec's wif der persp'rashun rollin' down her face dat am de perfec' pictur' ob health. Wot's de use 'surin' an ole 'oman like dat? She hain't neber goin' ter die, 'deed she ain't. Don't yo go fo' ter ask fo no mo' premyums."—*New York Sun.*

—The Insurance Commissioner of Wisconsin has discovered evidence which, it is claimed, tends to show that about 75 insurance companies are doing a surreptitious and illicit business in that State, and he estimates their collections the past year at at $700,000.

—The Supreme Court of Colorado has decided that knowledge by the agent that the insured was intemperate at the time of issuing a life policy will not estop the company from setting such a fact up as a defense, where the party in whose favor the policy was issued had the same knowledge.

—The Texas Mutual Benevolent Association, of Fort Worth, which has a branch in this city, recently accepted delinquent dues from a member, but learning that he was dangerously ill, sent the money back. The man died, and a jury has just returned a verdict in favor of his beneficiary.

—In the case of Hinckley *v.* Germania Fire Ins. Co., the Massachusetts Supreme Judicial Court has decided that the temporary illegal use of property merely suspends a policy of insurance thereon during the continuance of such illegal use, and if before a loss occurs the illegal use has ceased, in an action on the policy the plaintiff is entitled to recover.

—The *Monitor* says: The one hundred and twenty signatures to the compact to reduce and regulate brokerages and commissions have not yet been obtained, and it is freely reported a number of leading companies are holding back waiting for their neighbors. The scheme, although a good one in its essence, was too long delayed to acquire popularity. It was assailed by many agents, and there are too many companies, fresh and youthful in the agency field, whose managers, whether of department or of the head offices, incline to the belief that to edge in their way in paying localities, they must pay a little more than the regular commission. These companies are stumbling blocks to any comprehensive reform, and it is amazing and amusing, in listening to the opinions of prominent underwriters, to notice how quickly the malcontents and marplots are designated. It is more than likely the scheme now pending will fail.

—Lyndon Centre, Vt., which is a century old, had its first fire last month.

—The Mutual Life Insurance Company of New York has decided to re-establish an agency in Canada, from which country the company withdrew several years ago.

—Gen. Grant thought life insurance was an excellent thing, but declined to take out a policy on his own life because he had a fortune of his own. When that fortune had been swept away by Ward's swindles, it was too late to procure insurance.

The Mutual Life Insurance Company has begun the issue of its five year distribution policies. The features of this policy are: The absence of restrictions upon residence, travel or occupation after two years; a guarantee of paid-up insurance after three years; a dividend credit every five years to be drawn in cash if desired; simplicity of the policy contract; the promise of a definite and liberal cash surrender value at the end of each five-year period; and payment of death claims as soon as proofs are accepted.

—The July COAST REVIEW called attention to the rapid growth of suits against co-operatives, and showed that from the technical nature of the defense in most cases, the explanation of this litigiousness was to be found in an extraordinary increase in the death rate. The co-operative managers have been driven to their wits' ends to limit the assessments, and every claim has been resisted where there was half a show to beat it in the courts. Commenting on this explanation, the *Monitor* says: "This is part, and no doubt a large part of the reason for this excessive litigation. But there is another cause co-operating. The loose business methods of these concerns have made them receptacles of fraudulent insurance. They are compelled to assess not simply for honest, but for a very heavy percentage of dishonest claims as well. We should not be at all surprised to learn that fraud played as prominent a part in this business as does arson in fire insurance. The policy of get members, no matter how, or who they may be, has had its own share in plunging the corporations adopting it into a sea of litigation."

—Messrs. Butler & Haldan will remove in a few days to their former office, 413 California street, which has been refitted and supplied with a substantial vault.

—Mrs. Morris, who sent her dear mother to glory via the arsenic route, from a Kansas station, has been found guilty. She has since married a courageous man who evidently believes that she will escape the gallows and collect the $15,000 insurance on the life of her mother.

—The Home Mutual Insurance Company of this city recently determined to close its Western department at Chicago, which is under the management of A. W. Spalding. The resolution was reconsidered, however, and the manager instructed to resume business.

—The *Overland Monthly* being a California publication, we take pleasure in noticing recent improvements which place it in the rank it should occupy. The contents of the September number are of more than usual interest. Among the more noticeable artices are "The Squatter Riot of '50 in Sacramento;" "The Thirty-fifth and Thirty-sixth Congresses," by S. S. (Sunset) Cox; and "The Verse and Prose of 'H. H.'", (Mrs. Helen Hunt Jackson).

—The Fire Underwriters' Association of the Northwest will hold its usual annual meeting at Chicago, September 23. The annual address will be delivered by J. Montgomery Hare, U. S. Manager of the Norwich Union. Papers on various subjects will be read as follows: Finely Divided Organic Substances and their Fire Hazards, by C. J. Hexamer; Relation of the Public to Fire Insurance, by Abram Williams; Fire Brands, by J. V. Thomas; State Boards, by J. J. McDonald; Best System of Inspection, by J. G. Finne; Compact System in Michigan, by F. E. Best; Gasoline, by Jacob Peetrey; Loss Cycles, by H. P. Hubbell; Best System of Rating, by J. B. Bennett. Addresses will be made by C. C. Hine, Mr. Griffiths, Secretary of the association, and others. Among the topics to be introduced for general discussion, is the advisability of companies combining to employ a State agent to make rates and attend to board matters.

—A country paper, in commenting on the failure of the Order of Mutual Companions, says that "nobody will suffer loss because nobody will be called upon for future assessments." The editor is evidently not aware that there is a deficit of $14,000, but if there were no such deficit, his statement would be incorrect and his reasoning fallacious. Of the two thousand members of the order, fully five hundred are no longer insurable lives. They cannot pass a medical examination. So, by the failure of this order, these unhappy victims of the co-operative delusion are not only deprived of prospective endowment and sick benefits in life, but their dependents are wholly deprived of indemnity in the event of death.

—A New York daily says that suit was brought against an insurance company to recover insurance upon a cargo of merchandise which was said to have been lost at sea. The company claimed that the merchandise in question had never been put upon the vessel, and supported its claim with such conclusive evidence that when the jury retired and the counsel for the defence held an informal conversation with the counsel for the plaintiff, the latter frankly admitted that his client had lost his case. He said that up to the point where a certain unexpected witness had been produced by the defense, he firmly believed that his client had a good case, but after that point he had no doubt whatever that the cargo in question had never been shipped. Whereupon the counsel of the insurance company said in words something like the following: "Well, is not this an extraordinary situation? here we are, the opposing counsel fully agreed about the case, and prepared to settle it without further parley, yet we must sit here and wait for twelve men to make a guess upon it." After a delay of two hours, the twelve men came into the court room, and the outcome of their guess was a unanimous verdict against the insurance company. The facts were all against them, and the only apparent reason for their astonishing decision was the well established maxim that "you can never get a jury to decide in favor of a corporation, especially if it be an insurance company.

—The meanest man in the United States lives in Boston. He dropped a lighted match in a street letter-box.

—Harry Syz has returned from an extended visit to Switzerland and other European countries. He has been absent a year.

—R. G. Dun & Co. mercantile agents, deny that they have favorably reported the wildcat Anglo-American Ins. Co. of Washington.

—The Mutual Life of New York has issued a little pamphlet, giving the history of the cholera, and recommending remedies and sanitary preventives.

—The Union Insurance Company of San Francisco having filed the necessary papers with the auditor, have commenced business in Montana. Mr. R. Lockey, of Helena, has been appointed general agent for the Territory.

—Aaron E. Elkeles was arrested at Portland on September 2, charged with setting fire to Powers' furniture factory, in that city. It is said that Elkeles, who was recently discharged from Powers' employ, bragged that the factory would be in ashes before the end of the month.

—Julius Jacobs returned last week from an extended trip through the Eastern States.

—Messrs. Reed & Daley, insurance agents at San Diego, have sold their agency to Messrs. Morse, Whaley & Co., and temporarily retired from the insurance business. They are still engaged in the real estate and searcher-of-records business. Their retirement from the insurance business is regretted by the companies they represented, for the gentlemen were among the most active local agents in the State.

—A San Francisco reporter has discovered that in London there is a company that actually insures against the embezzlement of employés. What a reporter does n't know about all kinds of insurance might not fill a page of the COAST REVIEW, but it would doubtless surprise this reporter to learn that there are many fidelity companies in Great Britain, and that right here in San Francisco there are three such companies—the Pacific Surety Co., the Fidelity and Casualty Co., and the American Surety Company.

—J. W. Roper, a well known local agent at Chico, Cal., has been appointed Deputy Revenue Collector for the district comprising Butte, Plumas, Sierra, Lassen and Modoc counties. We congratulate Mr. Roper.

—*The Weekly Statement* is the title of a folio issued by the Mutual Life Insurance Company of New York. From it we learn that for the week ending August 14th, the Mutual Life paid in death claims the sum of $113,074, an excess of $68,205 over the premiums received from the insured parties.

—A. Theinert, of Goldberg, Salesia, late inspector for the Helvetia Swiss Fire Ins. Co. of St. Paul, has absconded with $5,000 in money and a woman by the name of Albertina Roth. Detectives have been employed, and every effort will be made to recover the coin, but whether any special interest is taken to recover the woman the *Frankfurter Zeitung* sayeth not.

—Amos & Evans, insurance brokers at 80 Camp street, New Orleans, "have the honor of manipulating the Southern territory" as general agents of the Puget Sound Fire Insurance Company of Tacoma, Washington Territory. So they write. These gentlemen profess to believe that "she is all right," though the alleged cash capital is only $20,000, and the remaining "assets" are of the most shadowy nature. Messrs. Amos & Evans, if in earnest, must be very innocent of ordinary underwriting information. The Puget Sound Fire is a wildcat insurance company, and was organized in a Territory where there are no laws regulating insurance corporations. The company has passed no examination by any Insurance Department, and has given no evidence that even so small a sum as $20,000 has been paid in. The remaining "assets," according to the first semi-annual statement, consist of $50,000 "treasury stock," $700 in cash, and $5,454 in furniture, bills receivable and premiums in course of collection. This statement on its face shows the company to be a fraud. The conviction that Messrs. Amos & Evans knew that the Puget Sound Fire is a wildcat is not diminished when we learn that they are managers of the Southern department of an Indiana co-operative.

—The valued policy bill has not yet passed the New Hampshire Legislature.

—J. G. Edwards and family are rusticating at San Diego, and will not return for several weeks. Lest Mr. Edwards may not return in time for the October COAST REVIEW, the fraternity are invited to chip in a few chips or air their most profound and original views on underwriting matters in general, that the "book" may preserve its usual standard of excellence.

—Dobinson & Fairchild, fire insurance agents at Los Angeles, have resigned the agencies of all the companies represented by them, and accepted the exclusive agency of the Imperial, London, Northern & Queen combination.

—Mr. Alfred Bennett, assistant inspector of the South British F. & M. Ins. Co. of Aukland, N. Z., visited this city on a tour of inspection last month. From here he departed for South America, where he will visit the various countries on both coasts in which the South British is represented, and thence he will proceed to London.

—During Agent Warren's absence from Silver City, N. M., several enterprising citizens tried to become his successor, the occasion being a popular resentment of Mr. W.'s views on the Indian question. It is needless to add that he still holds the fort. If the Silver citizens are a set of bulldozers, as implied by the agency seekers, the moral hazard in that town is certainly bad, and rates ought to be raised a notch or two.

—The indications even at this early date are flattering to the Pacific Surety Co. Besides many applications from bank clerks and others holding positions of trust, the demand for the bonds required by the courts is so great that it is evident that the company will be required to make a specialty of such security. The local character of the company favors the transaction of a court-bond business. The following named gentlemen have been appointed agents of the company: James E. Mills, Sacramento; J. A. Clayton, San Jose; Alfred Hinds, Santa Cruz; Wm. J. Dingee, Oakland. They will act as managers for their respective counties.

—The Western Fire and Marine Insurance Co. of this city has withdrawn from the State of Texas.

—T. J. Daley, of San Diego, G. A. Dobinson, of Los Angeles, H. C. Keyes, of Stockton, S. C. Bates, of Merced, Cal., and E. W. Moon, of Sydney, Australia, visited this city last month.

—Manager Dornin, of the Lion, Washington and Orient, has removed his office from Montgomery street to 215 Sansome street, where he has better lighted and roomier quarters. The new office is one of the handsomest and most convenient in the city.

—A Silver City, New Mexico, paper says: "The recent Deming fire should be a warning to the city council of Silver. Why in the world don't they provide some means of protection against fire? Suppose it does run the city in debt; by so doing it may save the business part of the town from ashes."

—On the night of September 2, the San Francisco fire department was called upon to fight one of the fiercest fires occurring for years. The property burned comprised a four-story frame carriage factory and nine frame dwellings adjacent, at the corners of Bryant, Fourth and Silver streets. Nearly all the buildings in the vicinity are frame, and there were no bricks to stop or delay the progress of the flames from corner to corner. Such breeze as was blowing favored the spread of the fire. From this brief account of the circumstances, the reader will appreciate the difficulties under which the firemen labored, and will be ready to join us in praising them for their excellent work in limiting the fire to a comparatively small area. All the buildings on the opposite side of the narrow half-street were saved, although wooden, but were badly scorched, of course. Redwood and our firemen can restrict almost any fire to a reasonably small area. The property loss in this fire is estimated at $75,000, and the insurance loss at $30,000. Altogether, eleven buildings were totally destroyed, six partially, and a dozen or so more or less damaged.

—"Whom they call Coroner," says an insurance exchange, speaking of the incendiary speeches of our incomparable O'Donnell.

—The following news paragraph, now appearing in our Eastern exchanges, will interest our California readers, although no such law was passed:

"The Legislature of California has passed a bill authorizing the payment from the State Treasury of $250 to every young man in the State under twenty-six years of age, who has served an apprenticeship for three years and thereby learned some useful trade."

—The Superior Court of New Hampshire has decided, in the case of Wheeler against the Phœnix Ins. Co., to recover $10,000 for loss on a woolen mill in Salem, in favor of the plaintiff. The defense was that there was a clause in the policy making it void by the keeping of benzine on the premises; but the court held that as the benzine was kept to kill moths and didn't cause the fire and moreover was customary and necessary, it did not annul the policy.

—An architect thus recommends the use of copper as a roof covering in place of tin: "We always specify the use of copper for covering roofs, when we can induce owners to do so, on account of its durability, although its cost is about $14 per 100 square feet over the price of tin roofing. When we reflect that a tin roof requires constant repairs, and painting at least every two years at a cost of two or three cents a foot, varying as to the number of coats, the cost of repairs for six years, together with the cost, equal the cost of copper."

—According to the report of the Canadian Superintendent of Insurance, the British fire offices have paid in losses and expenses nearly a million dollars more than their premium receipts, on the Dominion business, since 1875. The figures are—

Paid for losses (1875-84)	$18,919,422
Paid for general expenses	5,231,470
Total payments	$24,150 892
Received for premiums	23,221,387
Excess of payments over receipts	$ 929,505

In 1877 (the year of the St. John fire) the balance on the wrong side was $4,210,951. Every other year shows a favorable balance.

—A well known writer says "the man who insures his life purely and simply for the benefit and protection of his family against the ills and hardship which may ensue and affect them after his death, cannot be a bad man."

—The *Indicator*, of Detroit, has issued a very valuable chart of co-operative life insurance associations, showing their condition December 31, 1884. The statistics given were obtained from the insurance reports of those States which require annual reports from such organizations. Price 25 cents: by the W. H. Burr Publishing Co.

—Geo. T. Hope, President of the Continental Insurance Company, who died on the 28th of July, was one of the foremost underwriters of the country, and for half a century was actively engaged in the insurance business. He was also one of the organizers and a director of the Fidelity and Casualty Co. When nineteen years old he became Secretary of the Jefferson Ins. Co.

—In illustrating the importance of doing even the smallest thing thoroughly and well, Daniel Webster related an incident concerning a petty insurance case which was brought to him while a young lawyer in Portsmouth. The fee promised was only twenty dollars. Yet, to do his client full justice, Webster found he must journey to Boston and consult the law library. This involved an expense of about the amount of his fee, but, after hesitating a little, he decided to go to Boston and consult the authorities, let the cost be what it might. He gained the case. Years after this, Webster was passing through the city of New York. An important insurance case was to be tried that day, and one of the counsel had been suddenly prostrated by illness. Money was no object, and Webster was asked to name his terms and conduct the case. He objected that it was preposterous to expect him to prepare a legal argument at a few hours' notice. But when they insisted that he should look at the papers, he consented. It was his old twenty-dollar case over again, and having a remarkable memory, he had all the authorities in his mind, and he took the case and won it, and with it won fame and money.

—The experiment of assessment life insurance in the New York Produce Exchange, has caused much discontent among the junior members. The assessments are not graded, and average about forty a year. The cost is greater than in the regular companies. An effort will be made to repeal the compulsory insurance clause.

—According to our "blue and gold" New York contemporary, San Francisco is in perpetual danger of destruction by fire, because of the trade winds which incessantly blow from the shanties along the bay front toward Chinatown. It must be true, for the authority is a San Francisco paper that nobody ever saw.

—The Attorney-General of Massachusetts (not of California) has just suppressed two prominent assessment associations for fraud and insolvency. The Massachusetts Attorney-General is not a demagogue-afraid-of-the-co-operatives.

—The Atlas Assurance Company of London, has filed its statement with the Insurance Commissioner of this State. The Atlas is one of the oldest fire offices in the world, having been established in 1808. The assets, including the life department, are over $9,000,000. The cash capital is $720,000, and the net surplus $590,480. Messrs. Newhall & Co., Geo. Mel, manager, have been appointed agents in this field.

THE PACIFIC SURETY COMPANY

OF CALIFORNIA.

CASH CAPITAL, - - $100,000.

This Company issues Bonds of Suretyship on behalf of Government, Bank and Railway Officers and all employees in positions of trust. This Company will also act as Surety on Bonds required in the Courts.

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OFFICERS.

WALLACE EVERSON.....President
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E. F. GREEN.....Secretary
A. P. REDDING.....General Manager

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SVEA

Fire Insurance Company

OF GOTHENBURG.

Capital authorized	$2,666,666 66
Capital, paid up	533,333 33
Reserve for Re-insurance	1,683,363 47
Reserve for Losses	84,000 00
Net Surplus	327.499 34
TOTAL ASSETS,	$2,628,196 14

J. M. PHILIP, General Agent,

304 CALIFORNIA STREET, SAN FRANCISCO.

COAST REVIEW.

A MONTHLY JOURNAL, DEVOTED TO FIRE, MARINE, LIFE AND ACCIDENT INSURANCE.

J. G. EDWARDS, Proprietor,

320 Sansome St., (Room 14), San Francisco, Cal.

(Take the Elevator.)

VOL. 20. OCTOBER, 1885. No. 10.

Opposed to Contingent Commissions.

The recent discussion of the question of paying agents a commission contingent on profits has called forth a letter from Col. J. L. Cunningham, Secretary of the Glens Falls Insurance Co., in which he presents his objections to the proposed method of compensating agents. He admits, of course, that the present plan is not satisfactory, but is of the opinion that the contingent substitute is impracticable, because it violates the fundamental principle of average. We quote as follows:

"The chief objection to contingent compensation from the local agent's side comes from the fact that his territory is too limited to give him the average upon which rates are based. A small and strictly legitimate loss would likely destroy so much of his compensation for that year as depended upon his contingent. He is liable to loss of income from no fault of his own, and, perhaps, in spite of his skill and judgment, approval of manager and special agent, or because of simply following their instructions. If the company cannot safely confine its hopes of profits to so short a time and so small a territory, neither can the agent. The contingency is too contingent.

"If the contingent compensation plan should be the general practice, it is likely agents would endure its chances, but with the opportunity for choice the *most* straight and *least* contingent would be preferred, especially after one year's loss of contingent.

"On the company's side an objection to the contingent plan of the convention of less importance than others is the influence upon an agent under such a contract of such a loss early in the year, which would bring to certain grief all hopes of any contingent remuneration for the current year. I have more confidence in agency nature than some others, but arguing from the view of agents' motives, which the contingent plan assures self-interest, such a loss would result in giving to those companies of the agency paying a straight commission or those paying a mixed, straight and contingent and not yet suffering loss, the 'zeal' which, perhaps, on promise of equal compensation, would be given to the unfortunate company, and the more because of its misfortune. This is, however, only a relative objection, applying only to such agencies; the benefits of the plan would con-

tinue in the others and perhaps the greater number of the company's agencies.

"Another objection is that which comes from the mentioned violation of average. The plan (that of the convention) deals with individual agencies for individual years. Take the case of an agency which remits net the first year $1,000 and has no loss; same remittance the second year with $5,000 loss, and the third year same as the first. The three years shows an agency loss of $2,000, and yet the company has paid a commission on a profit of $2,000.

"Again, take an extreme example but in point. A given company has one hundred agencies on the contingent plan, and each agency remits net during a given year $1,000. Eighty of the agents have no loss during the year, but twenty of them lose $4,000 each. Twenty lose their contingent, but eighty save it. The company pays the contingent on $80,000 profit (?) while it has actually made no profit at all! This is the more serious in the probability that the records of any agency company will show that a very *large* proportion of a year's aggregate loss is chargeable to a small proportion of the company's annual premium receipts.

"I have seen the operation of a few contingent contracts—have had some of our own—and quite all of which I have knowledge have been discontinued by the agents themselves, even when the compensation has proved satisfactory. One intelligent agent, and successful in making money for his company, said: 'It is a demoralizing plan, partaking so much of chance as to be almost a gambling for the contingent, and, besides, it adds too much of alarm to the fire-bell, which rings the same for good and bad risks.' Another said: 'This contingent business is one of mere chance, and has led me to consider the chances of a high rated poor risk in good hands, escaping fire for one year longer.' He might have been led to reason that a good risk may burn, to his loss, and a poor one may not, to his gain; thus dealing with chances, until, like the gambler, he grows more bold to 'chance it' for *both* straight and contingent, rather than more timid or careful in fearing loss of contingent only. The operation of the contingent plan must depend, as does the present plan, upon the character of the agent. Its primary influence for care and conservatism might lose itself in the contempt of familiarity, by and by, with the reckless and varicious agent, the one it more especially proposes to reform.

"Our agents are likely to be what we make them, and I do not believe we shall be able to arrange a scheme which will self operate and self reform the system. I certainly do not believe that the principle of self *pecuniary* interest involved in the contingent plan of compensation will do what the situation demands. It does somewhat appeal to a responsive motive, but it is not the best one—it is not a good one. It will not cover ignorance or incompetency, and is a poor curb to dishonesty. How much better to insist upon an honest, faithful and intelligent discharge of the duties intrusted to agents on the line of instructions; holding to a responsibility for inefficiency or disregard of rules and instructions. If loss comes in spite of doing well, the agent should lose nothing. If it comes because of a disregard of the things which promised, or would have prevented it, he is not the agent wanted."

Mutual Self-Endowment and Benevolent Association of America—The Managers Charged with Gross Frauds.

Down in Texas—that land of business integrity, good morals and steady habits—there is an assessment insurance company so transparently a swindle that its mere existence is a verification of the adage that "A fool and his money are soon parted." It has the toplofty appellation of The Mutual Self-Endowment and Benevolent Association of America, and originated, as its pompous title might imply, in a cross-roads hamlet, in the interior of Texas. Its present headquarters are Fort Worth, in that State. By means of spurious references, liberal commissions, extravagant promises, and the judicious distribution of lottery prizes, in the shape of "advance loans," the association has extended its membership and es-

tablished branches in Kansas and California.

This villainous and idiotic swindle has about run its thieving career. The Kansas branch has seceded, and the California branch, if favored with a ray of common sense, will also withdraw. J. A. Cowell, the President of the Kansas branch, has issued a circular setting forth the reasons for the secession. He charges the general manager of the parent office, E. M. Macy, with gross frauds and misappropriation of funds, and a violation of the plain requirements of the constitution and by-laws.

Among other reasons assigned for the withdrawal of the Kansans from the home company, is "the discredit that said manager is bringing on the association and all connected with its management, by speculating on death claims, directly and through his attorneys, which acts are certain to bring the association into disrepute and cause its downfall." Another grievance is the action of the late convention in "fixing salaries at $4,000 per annum for men that could not command in any market in the world above $1,500." The Kansas fellows were required to pay ten per cent. of their receipts from annual dues to pay these salaries.

Cowell, in his circular, says that the home office is several months behind on death claims, and that the death fund is, besides, largely in debt to the endowment fund. The expenses, too, are being paid from the "sacred fund," whatever that may be. The officers think there is no obligation so sacred as the obligation to pay their salaries. There is nothing too degrading for Secretary Macy to do, says Cowell--"from issuing a libelous circular to running a dance house." In conclusion, the Kansas man demands the privilege of examining the books of the Texas office, and of summoning witnesses, and agrees to pay all expenses if he does not show that "there has been gross frauds and misappropriation of the funds of said office." The Texas gang decline to permit the Kansas kicker to make any such examination.

The report from the central office, dated February 20, 1885, shows that there has been about the same amount paid on both death and endowment claims, when one-fifth only should be applied on the former and four-fifths on the latter. The death fund is, therefore, heavily in debt to the endowment fund. As the debt can never be paid, the endowment claimants will soon be clamoring in vain for their money. Already the managers have been forced to make compromises, and discount both death and endowment claims. The scheme, evidently, is going to have a shorter life than more clever rogues than the might have given it.

The COAST REVIEW for July and August, 1884, ventilated this mutual self-endowment humbug, and proved that its references were all counterfeit. All the prominent men—State officers, lawyers and doctors—who are represented as endorsing the association, indignantly repudiate such use of their names.

The California branch was shown to be under the control of one Russell and his stool-pigeons—adventurers of no good reputation, and utterly unable to give good security for the funds passing through their hands.

The pretensions of the association are the very quintessence of absurdity, for the holder of every matured coupon is promised "at the very least" an endowment of "four dollars for every one expended." As every member holds a coupon which will mature in a few years—one-fifth of his "life expectancy"—it follows that the association agrees to pay four times as much as it will receive. The reader may figure it out for himself and see that the company really does undertake to execute so foolish an offer. Take, for example, a $3,000 certificate issued to a man aged fifty. The managers announce that the assessments will not average over ten to twelve annually. The certificate is payable in quinquennial installments of $600. For the latter sum the member is called upon to pay in five years.

Membership fee	$ 8 00
Annual dues—$4 per year	20 00
Medical examination fee	1 00
Medical director's fee	50
Fifty assessments at $3 each	150 00
Total	$179 50

This is all the fifty-years-old member is required to pay during five years, at the end of which time he is to receive $600 in payment of the first of his quintuple coupons—a profit of $420.50. Other members are to receive like returns. Highly ridiculous, is it not? One may well feel a profound contempt for the average intelligence, when there are plenty of gudgeons who bite at such bait—who are so simple as to believe that any scheme making such foolish promises of gain can be an honest enterprise, or can possibly execute its contracts. That was a wise, though cynical, Frenchman who said that man was an animal capable of reasoning, but not a reasoning animal.

Portland Correspondence.

PORTLAND, OR., Sept. 25, 1885.

EDITOR COAST REVIEW:—For some time past we have been looking forward to and praying for a general revival, but I regret to say that our anticipations are apparently as far from being fulfilled as they were six months ago. Everybody complains. Wholesalers grumble, and tradesmen reflect their sentiments; and so the life of an insurance man is not a happy one. Reduced premium receipts and bad collections frequently confront him, and all his remarkable rustling abilities are only too often of no avail. The only comfort is the fact that we have in part by good luck and in part by careful judgment kept the city losses well down.

The Power's Factory fire is the first blaze we have had this year of any magnitude. The fire was no doubt of incendiary origin. Mr. Powers had things in pretty good shape and felt confident he could handle any ordinary fire, but some miscreant had cut his hose connection, and before the department arrived on the scene, the fire had gained considerable headway. In spite of two former unfortunate experiences, in which Mr. Powers lost heavily by having no insurance, he carried but a small amount of indemnity, and therefore got severely tapped again. Owing to hard times I do not think he will rebuild in a hurry.

During Mr. Coffran's absence East, Jos. Webber, Jr., for many years connected with the same agency, is managing the Hartford and Commercial companies.

President Jones of the Oakland Home paid us a pleasant visit, and then took a run over to the Sound country.

Mr. Griffiths, of Sanborn Map Company, left his card with me. He is revising our city map, after having "done" the main town in British Columbia for his company.

The origin of a $2000 fire in Walla Walla is deftly explained by the sun's rays striking powerfully through some glass bottles, causing a focus on a straw pile, etc., etc. Hardly a healthy climate for an insurance company to survive in. If the sun is going to start in and play these little tricks would it not be well to make special rates in order to cover these dangerous contingencies?

Ed. Hall, Secretary of the Oregon, is making appointments for his company in Utah and Colorado.

I heard some street rumor of a new wild cat concern starting up here, with capital subscribed $200,000, and *paid up* $5,000. The State Insurance Company had better look to its laurels, for this new concern may soon have $7,000 in cash too.

NAOLS.

Petty Defense of a Co-operative Litigant.

The deceased member of a co-operative, the Mutual Relief Society of Rochester, N. Y., had paid every assessment promptly, except the last, notice of which was not received. The charitable, brother-loving, orphan-helping society of which he was a member refused to pay the claim presented by the guardian of the little daughter of the deceased, because of the failure to pay an assesssment of which he was not notified. The society claimed that the local secretary had mailed a notice of the delinquent assessment to the deceased, which was conclusive service, according to the by-laws.

This was an unfair and technical defense, but claims were "coming in so thick" that some of them had to be repudiated to keep up the "credit" of the society; otherwise the claims must be scaled. The co-opera-

tive also refused to furnish blank proofs of loss, and then set up the plea that no proof of loss had been served upon the society. That was a pretty cool exhibition of what the boys call cheek. The beneficiary proved that no notice of the assessment had been received, and that the managers of the society lied when they said that the by-laws made a failure to pay an assessment upon notice by a local secretary a forfeiture. The Supreme Court of New York has just ordered judgment for the plaintiff for $2,000, with interest from September 29, 1881, and costs. It was also held that the failure to provide blank proofs of loss was a waiver of such proofs.

The courts uniformly decide against these litigious co-operatives. A decrease of such litigation might be expected were it not evident that the slow and costly processes of law were resorted to by the co-operative managers to force compromises upon obstinate claimants.

Malicious and Misleading Village Gossip.

In adjusting losses in the smaller communities, where gossip is rife and every citizen knows all about his neighbor's affairs, the adjuster is frequently embarrassed by floating rumors and broad innuendoes as to the incendiary origin of the fire. When a fire occurs in a village, the probable cause is the theme of much speculation, and every inhabitant has his own favorite theory. As long as there is any uncertainty it is a fine opportunity for the malevolent to set afloat bad stories, which the gossips adorn with the embellishments of an active imagination. The insured party is declared to have been on the verge of bankruptcy, or greatly over-insured. Perhaps suspicion unjustly fastens upon some night-hawk of a fellow who was simply seen near the premises at unseasonable hours, or malicious minds may so distort circumstances as to seriously reflect upon some innocent man of excellent character.

The adjuster's labors are, therefore, frequently increased to a most vexatious degree by the gossiping and meaner traits of human nature. The adjusters are certainly more or less embarrassed in the performance of their duties, and sometimes are doubtless imposed upon, to the detriment of a claimant's rights, by the unfounded statements and unjust insinuations so kindly volunteered by the super-officious or the grannies who like to be seen talking or walking with the distinguished gentlemen from San Francisco.

Coal Trade from England—Spontaneous Combustion of Coal.

In a paragraph in the September COAST REVIEW reference was made to the unprofitable character of the English coal business from a marine point of view. It is the general experience that these coal risks can not be written with profit, and in the absence of suitable statistics the element of reasonable certainty is absent from all calculations. Referring to the paragraph mentioned, a New England correspondent writes as follows:

"Eastern underwriters, as a rule, have found this coal business from England to be unprofitable. Although the losses seem to run in ruts, and for several years underwriters may escape without serious trouble, when one loss occurs many others may follow. It is my belief that carelessness in ventilating, and greater liability to spontaneous combustion in the coal that is mined at different times, are the causes for this peculiarity."

In the *Nautical Magazine* for May, 1883, and October, 1884, we find matter bearing on this topic, and quote as follows:

"We are sorry to find amongst the losses from 'other causes' no less than 14 cases of total loss from spontaneous combustion of coal against 5, 1 and 0 respectively in the three preceding years. It is probable that some of the increase in the number of missing vessels has been caused by the reviving danger. Of the 14 vessels destroyed by spontaneous combustion of coal, 5 were bound from Hull, 3 from Swansea, 3 from Tyne, 1 from Liverpool and 2 from Scotch ports."

"No less than 66 coal-laden vessels were missing during the year 1883, of which 39 were missing on voyages between ports in

the United Kingdom. Of the 66 missing colliers 39 were over 20 years old, and of these 39 ten were over 40 years old, one had reached 49, one had reached 50, and one had reached the mature age of 56. Of eight coal-laden vessels which were burned, six were burned by spontaneous combustion of their cargo."

"It is a recognized fact that spontaneous combustion seldom sets up seriously in voyages north of the equator, and, true to this general rule, all the cases of spontaneous combustion which occurred in coal-loaded vessels in the United Kingdom took place after the line had been crossed."

As only five of the 66 coal-laden vessels were bound on voyages across the line, the conclusion is that the proportion of missing vessels due to spontaneous combustion of coal must be very small. The attention of underwriters is called to the fact that several vessels have recently been saved by the use of means for testing the temperature of the coal, whereby they were warned of danger in time to reach a port. To the general adoption of surface ventilation is attributed the freedom from loss of life during the year by explosion of coal gas. It is stated that the explosion of gas seldom or never occurs more than three days after leaving port, and that a temporary system of ventilation, which could be dispensed with when unnecessary, would be preferable to the frail structures now in vogue, which are declared to be a permanent source of danger after their usefulness has ceased.

Recent New Hampshire Legislation—The Companies Withdraw

In July last, when it seemed probable that a valued policy and anti-compact bill would pass the New Hampshire legislature, the companies doing business in that State united in a compact, whereby they agreed to withdraw from the State if the obnoxious bill became a law. The bill passed, despite the threatening attitude of the companies. True to their compact, the companies have withdrawn all their agencies, and refuse to write any risks on New Hampshire property. There can be no doubt that if the companies have the pluck and good faith to maintain their present stand, the Governor of New Hampshire will be forced to call an extra session of the legislature expressly for the repeal of the law. The course pursued by the New Hampshire Fire Insurance Company, in this matter, deserves especial commendation. Although a home company, the managers had the fairness to protest against the enactment of the law, and the courage to reduce its lines subsequently.

Following is the text of the new law, which goes into effect on January 1:

SEC. 1. Should any insurance company not organized under the laws, but doing an insurance business within this State, make an application to remove any suit or action, to which it is a party, heretofore or hereafter commenced in any court of this State, to the United District or Circuit Court, or shall enter into any compact or combination with other insurance companies for the purpose of governing or controlling the rates charged for fire insurance on any property within this State, the Insurance Commissioner shall forthwith revoke the license or authority of said company to transact business, and no renewal of said license or authority shall be granted for the period of three years from the date of such revocation.

SEC. 2. In any suit that may be brought in this State against an insurance company to recover for a total loss sustained by fire or other casualty to real estate, or to buildings on the land of another, the amount of damage shall be the amount expressed in the contract as the sum insured, and no other evidence shall be admitted on trial as to the value of the property insured; provided, whenever there is a partial destruction or damage to the property insured, it shall be the duty of the company to pay the assured a sum of money equal to the damage done to the property, and provided further that nothing in this section shall be construed to prevent the admission of testimony to prove over-insurance fraudulently obtained.

SEC. 3. The Insurance Commissioner shall provide a standard form of policy and contract for companies insuring property in this State, and no license shall be granted, and no company allowed to do an insuranee business, unless it shall conform to the regulations of the Insurance Commissioner.

The following supplementary law was passed, to go into effect immediately:

SEC. 1. All statements of description or value in an application or policy of insurance are representations and not warranties; erroneous descriptions or statements of value or title by the insured do not prevent his recovering on his policy, unless the jury find that the difference between the property as described and as it really existed contributed to the loss or materially increased the risk; a change in the property insured, or in its

use or occupation, or breach of any of the terms of the policy by the insured do not effect the policy, except during the continuance of the change, use or occupation, or the state of things constituting the breach of the terms of the policy; nor shall any misrepresentation of the title or interest of the insured in the whole or a part of the property insured, real or personal, unless material or fraudulent, prevent his recovering on his policy to the extent of his insurable interest.

SEC. 2. This Act shall take effect upon its passage, and shall only apply to contracts of insurance entered into or renewed after it goes into effect.

Confession of a Guerneville Incendiary.

In May and November, 1883, there were two incendiary fires in Guerneville, Cal., entailing losses of about $27,000 and $3,000 respectively to underwriters, and a much greater loss of property. Suspicion strongly pointed to a merchant named Herman Haas, but no satisfactory evidence could be secured against him. Haas had had a fire in November of the previous year, and at that time was arrested on a charge of arson. The jury could not agree, one juryman obstinately holding out against the eleven who favored conviction.

In July last, Parmily L. Etheridge, who had formerly been a sawyer in one of the Guerneville mills, returned to the town, from which he had been absent since the last fire. Haas immediately disappeared. Etheridge, who is in the last stages of consumption, went before a Santa Rosa notary public and made a full confession, which was substantially as follows, as reported in the Santa Rosa *Republican*:

"Haas approached me several weeks before the first fire. He gave me to understand that he had some dirty work to be done, and would pay well for its execution. I was sick and unable to work, and although I had been steadily employed in the mills, I had been gambling and was without means. Haas, knowing of this, told me of his plans, and tempted me, offering me $500 down and $1,000 more if the plan was successful and he secured the insurance on his store. Unhappily, I yielded, and agreed to do the work. I suggested that the fire be started in his store, but he objected and replied, 'No, set fire to Morrison's store. I can then get my books out and let Morrison's store burn.' Haas's plan proved successful and the entire business part of Guerneville was burned. Haas collected some of the insurance, but when I approached him for my money he put me off, stating that he was experiencing some difficulty with the insurance companies. That he intended to use me again, is now evident to me, as he only paid me enough to live on. Haas started up in business again, and in November I was again induced to fire the buildings. This time the plans did not prove so successful and only Taggard's store was burned. I received the $500 from Haas in small amounts, but he never paid me the $1,000. When I threatened him he defied me, and as he and I were the only persons that knew anything of the affair it was useless for me to attempt to do anything."

Decline of the Ancient Order of United Workmen in California.

In the July COAST REVIEW we recounted, in a general way, the evidences of the decline of the California jurisdiction of the Ancient Order of United Workmen. The effort to start a boom for the order in this field by exhibiting J. J. Upchurch, the founder, was the device of men who appreciated the gravity of the danger, and realized the necessity of extraordinary exertions to arrest the decline in membership and reduce the growing mortality. There had been five assessments in two months, and there were not so many members as there were on January 1st.

On the 1st of January last the total membership of the California branch of the A. O. U. W. was 17,106. The Supreme Recorder reports the membership for July 16,-913, a loss of 193. The following quotation from the report of the Grand Recorder, at the meeting held in San Francisco last April, has a very pertinent application to this loss of membership. He said: "To lose and not to make a corresponding gain would work our ruin suddenly and surely, by increasing the death rate, and consequently the burden of assessments, to such an extent that the masses could no longer bear the load."

The Grand Recorder also says: "The heavy losses from other causes than death are not to be regarded with alarm, but the contrary, so long as the vacancies thus created are filled with fresh and good material. It is the new blood thus introduced that keeps the order young and the death rate low." The inference is, and it is not to be disputed, that if the vacancies caused by lapses are not filled with fresh and good material—with "new blood"—the order will cease to be young and the death rate will immediately become high. The order in California has already reached that condition which the Grand Recorder admits must be viewed with alarm. It has ceased to grow, and the death rate is therefore increasing rapidly. New blood no longer fills the vacancies created by death and withdrawal.

The annual increase of membership in this State has been yearly growing less for the past five years, and finally ceased, the loss for the first six months of the present year being 193, as already stated. The following table, showing the regular decrease in the annual increase, is made up from the reports of the annual sessions of the Grand Lodge of California:

	No. Members.	Increase.	Deaths.	Death rate.
Jan. 1, 1881.....	11,132	2,815	72	6.49
Jan. 1, 1882.....	13,943	2,811	95	6.83
Jan. 1, 1883...	15,432	1,489	132	8.57
Jan. 1, 1884.....	16,391	959	130	7.92
Jan. 1, 1885.....	17,106	715	142	8.30

These figures are significant and point unerringly to the speedy embarrassment of the order in California. Growth has already ceased, and it is impossible that the exhibition of "Father" Upchurch and the booming efforts of the managers can do more than temporarily arrest the downward movement of the California branch of the A. O. U. W. The competition among the various fraternal and business co-operatives is too keen for the order to even maintain its present membership in this State, and the foregoing table indicates that the California branch, like the branches in other States, will before long be dependent on the supreme lodge for the liquidation of its obligations, under the general relief law.

The rank and file of the order in this State have of course been kept in blissful ignorance of the true situation. They think that Mr. Upchurch visited the coast on a pleasure trip, and it will surprise them to learn that he made the long and tedious journey at the urgent solicitation of the leaders, who revealed the desperate condition of the California jurisdiction. Something had to be done, and the founder of the order was prevailed upon to lend his aid.

The Ancient Order of United Workmen is growing old. The membership is diminishing, the death rate is increasing, and the average age is increasing. At the present rate of decrease of membership and increase of average age, within five years the membership of the California jurisdiction will be reduced to less than 14,000, the average age will advance to 44, and the assessments will increase accordingly. How long can the order survive at that rate? Not many years.

Digest of Recent Insurance Decisions.

FIRE.

FRAUD—BAD FAITH—PENALTIES.—Grehan *v.* Watertown Fire Ins. Co.; Ga. S. C.—Agents of company offered to pay G., the insured, his claim if he would discount it at 7 per cent. for the sixty days. He declined to do this, as he could not use the money at any better rate of interest. Immediately on the expiration of the sixty days, he applied for payment, but was told by the agents that the check had not arrived, which was not the reason of the delay, and they continued to put him off until at length they demanded the policy for cancellation on the ground that there had been a fraudulent concealment by him, G, of a previous incipient fire, and they threatened to sue him if he did not give up the policy. It appeared on the trial of the action brought to recover the insurance money, that four days before the burning of the property, an incipient fire had occurred, but the loss was so trifling, about fifty cents repairing, that G thought it of no moment, and made no report of it. In Georgia there is a statute which allows, besides the principal and in-

terest, against an insurance company which, in bad faith, refuses to pay a loss, 25 per cent. damages and $500 attorney's fees. The plaintiff recovered his loss, with interest, and the jury added 10 per cent. damages and the attorney fee claimed. *Held*, 1. Where the company seeks to avoid the policy under the clauses against fraud, it must show a willful intent to defraud, rather than an innocent mistake. 2. The facts in evidence certainly justified the jury, although they might not have been required to find the extra damages and attorney's fee for the plaintiff. The real cause for refusing payment, information which implicated him in the burning, the agents did not communicate to the plaintiff until he had threatened the company with suit; and even after the commencement of the action, these agents threatened to prosecute him to compel him to settle for a mere "stipend," to use their own language to the company. The evidence shows the correspondence between the agents and the company, and it shows that their action was, in all probability, directed to force the plaintiff to settle with them on their own terms. The jury, doubtless, considered this proof of bad faith, and acted on this presumption in giving damages for delaying payment.

INCREASE OF HAZARD — KNOWLEDGE OF AGENT AND MORTGAGEE.—Cole *v.* Germania Fire Ins. Co.; N. Y. C. of A. — Loss was payable to a mortgagee. The policy contained a condition avoiding it in case of "increase of hazard" by the erection of neighboring buildings, but in a "mortgage clause" it was declared that the interest of the mortgagee would not be violated by any act or neglect of the mortgagor. The mortgagee, however, was required to notify the company of any increase of hazard which should come to his knowledge. The policy provided for a renewal, but provided that "in case there shall have been any increase of hazard it must be made known to the company by the assured at the time of renewal, otherwise this policy shall be void." During the life of the original policy the insured erected a building near the one insured, which increased the risk. A loss occurred after the expiration of the original policy. In an action thereon a renewal was claimed by plaintiff. It appeared that the broker, who acted on behalf of the insured, and the mortgagee in making the alleged renewal agreement with the company, had knowledge of the erection of the new building, who did not disclose the same. *Held*, That the knowledge of the agent was imputable to the principal, the mortgagee, and that his failure to disclose it avoided the policy, conceding there was a valid renewal agreement. *Held*, That the increase of hazard by an erection made subsequent to the issuing of the original policy, and prior to the renewal, was a fact material to the risk, and that its disclosure by the mortgagee, who procured the renewal, was by the clear language of the policy a condition precedent to a continuance of the defendant's liability.

RECOGNITION OF AGENCY BY ENDORSEMENT —MISREPRESENTATIONS--WAIVER.—Packard *v.* Dorchester Mutual Ins. Co.; S. J. C., Maine, July 5, 1885.—Plaintiffs made their application through H, who assumed to act as agent of company. H wrote the application, sent it to the company, with his name as its agent. The company issued the policy, wrote H's name on the book thereof, sent it to him for delivery, and received the premium through him. The application contained a misrepresentation as to the contiguity of other buildings, and an alteration materially increasing the risk was subsequently made in the insured premises. H knew of and consented to the misrepresentation and alterations. *Held*, That H was the agent of the company. *Held*, That, notwithstanding the misrepresentations, the company was bound; and that the agent's verbal consent to the alterations was obligatory upon the company. *Held*, That H's signature as agent was not sufficient of itself to show that he was the company's agent; but the action of the company in returning the policy to him with his name endorsed thereon was an official recognition of his agency. *Held*, That as there was no policy clause providing for a written consent of the waiver of any of the conditions, the company can not escape liability.

MARINE.

MARITIME LIEN.—Ins. Co. State of Penn. *v.* Barge Wabaushene; U. S. C. C., N. D., N. Y.—The plaintiff company applied for the premium due upon the marine policy issued by it upon the barge, to be paid out of the proceeds arising from her sale in the registry of the court. *Held*, That the contract for insurance was made in Canada, and the rights of the parties to a lien were controlled by the *lex loci contractus*. *Held*, That although the proposition is generally true that maritime contracts import a hypothecation of the ship for their performance, the important qualification must not be overlooked that the lien does not extend to contracts which do not aid the vessel, but are merely for the personal benefit of the owner. One reason why the master of a ship, clothed as he is with almost plenary powers to represent the owner, even to the authority to sell the ship when necessity justifies a sale, cannot enter into a contract for insurance, is because such a contract does not aid the vessel. It inures solely to the personal interest of the owner. Unlike contracts and engagements in which every lien holder has an interest because they fortify his security, the contract of insurance contributes to no fund for the general benefit, and its fruits are monopolized by the owner. It has been held in this court that he is not required to surrender the insurance to a trustee under the statutes limiting the liability of a vessel owner for the benefit of those having claims against the vessel when the vessel is lost after liability accrues, because it is not an "interest" in the ship.

PARTIAL LOSS — SUBROGATION.—Parse *v.* Quebec Steamship Co.; U. S. D. C., N. Y., June 10, 1885.—Libelant was the assignee of insurers, who having paid a partial loss, claimed to be subrogated to the rights of the owners. Respondent objected that there was no subrogation because no abandonment; and hence no title. *Held*, That the objection should be overruled. In this case the respondent contended that the payment by the insurer was voluntary, and therefore that the assignee was not entitled to recover in this action. *Held*, 1. That a carrier who is liable for loss or injury is not entitled to raise that question as between insurer and insured, after the insurer has paid the loss. 2. That the liability of a common carrier is not simply on contract, like the liability of an insurance company, but in tort as well, and arises separately for each item of loss. That the clause in the bill of lading should be construed according to its natural important and evident intention, not as a condition of any liability at all, but as a limitation of the extent of the carrier's liability, and as applying distributively upon each article damaged; and that he is to be held liable, in the sense of being accountable, for no more than the invoice value of the goods damaged. *Held*, That on a partial inquiry the damage is to be computed on the basis of the invoice value of the goods damaged, and their net proceeds being credited against their invoice price and freight, the carrier is to be held for their difference only.

Death of Samuel O. Hunt.

The many friends and acquaintances of Mr. Samuel O. Hunt were shocked to learn of his sudden death from apoplexy, on the 21st of September. He was stricken in the morning and died in the evening, without recovering consciousness.

Mr. Hunt was a very popular gentleman, with a large circle of warm friends who most sincerely deplore his untimely death. He was a native of New York, and 42 years of age. In July, 1856, he came to San Francisco, and for the past fourteen years has been connected with the fire insurance business. He became a member of the firm of Jonathan Hunt & Son in 1875. About a year and a half ago, he had the misfortune to lose his wife, who died while on a visit East. They leave no children to mourn their loss.

The funeral of Mr. Hunt was attended by the members of the Pacific Insurance Union in a body. Resolutions in memory of the deceased were passed by the Union, and subsequently handsomely engrossed and forwarded to his family. As these resolutions embody the sentiments of our local

underwriters and the COAST REVIEW, we copy as follows:

The Pacific Insurance Union desire to place upon their official records their sense of the affliction which has befallen them by the death of Samuel O. Hunt. Therefore, be it

Resolved, That this organization has lost one who, as an ardent and faithful supporter of all honorable practices in fire underwriting, as a member of the old established firm of Messrs. Jonathan Hunt, Son & Co., and through his connection for many years with the insurance business in this city, attained a prominent and highly respected position in our profession.

In business he was honorable; as a friend, sincere and generous. His manners were winning and genial. He was charitable, unselfish, considerate of others and courteous to all; and his acquaintances, friends, and personal associates will sincerely mourn his loss.

To his family, especially to his venerable and honored parents, and to his faithful junior partner in business, we extend our heartfelt sympathy.

Fire Marshal Durkee's Annual Report.

From the twenty-first annual report of Marshal Durkee, for the year ending June 30, 1885, we gather the following "fax and figgers":

The total fire loss in San Francisco for the twelve months covered by the report was $586,710. For the previous twelve months the loss was $564,018. The losses on buildings aggregated $152,435, while the losses on stocks, furniture, etc., were $434,275. The insurance loss was $437,750, of which $113,229 was on buildings, and $324,521 on personal property.

The losses were divided among the insured and uninsured, and distributed as to time, as follows:

MONTHLY LOSSES.

Months.		Insured.	Not Insured.	Total Loss.
July,	1884.....	$20,983	$9,912	$30,895
August,	"	158,585	17,841	176,426
September,	"	2,775	33,049	55,825
October,	"	12,631	9,450	22,081
November,	"	3,108	14,647	17,756
December,	"	28,749	10,179	38,929
January,	1885.....	59,952	13,311	73,263
February,	"	14,320	10,906	25,227
March,	"	18,790	8,130	26,921
April,	"	31,757	3,385	35,139
May,	"	25,165	13,190	38,355
June,	"	40,936	4,957	45,894
Total.....		$437,750	$148,959	$586,710

There were 281 fires, the causes of which, and the losses to underwriters, were as follows:

CAUSES OF FIRES.

	No.	Paid.
Attempts.....	2	.....
Ashes.....	11	$5,858
Boiling over of Fat.....	1	1,395
Boiling over of Glue.....	1	.....
Boiling over of Varnish.....	2	1,770
Brimstone taking fire.....	1	.....
Carelessness with Candle.....	8	2,427
Carelessness with Cigars.....	9	715
Carelessness with Fire.....	2	1,419
Carelessness with Matches.....	5	825
Carelessness with Pipe.....	5	110
Children with Matches.....	20	7,272
Defective Chimneys.....	25	3,704
Defective Dry Rooms.....	1	1,801
Defective Flues.....	1	15
Defective Furnace.....	6	8,359
Defective Grates.....	4	157
Defective Ovens.....	2	247
Defective Ranges.....	8	29,026
Defective Smoke Houses.....	2	2,500
Defective Stoves.....	4	135
Defective Stove-pipes.....	4	24
Drunkenness.....	3	1,040
Explosion of Coal Oil Lamps.....	17	28,440
Explosion of Coal Oil Stoves.....	1	5
Explosion of Coal Oil Tank.....	1	930
Explosion of Gas Meter.....	2	70
Explosion of Vitriol.....	1	.....
Fireworks.....	33	1,852
Gas Lights.....	6	1,487
Incendiary (and supposed).....	7	12,063
Painter's Lamp.....	1	280
Paper Balloon.....	1	10
Rats with Matches.....	1	2,265
Sparks from Chimney.....	17	18,120
Sparks from Electric Light.....	2	25
Sparks from Fire.....	1	60
Sparks from Furnace.....	1	3,900
Sparks from Locomotive.....	1	.....
Sparks from Smoke Stack.....	4	25
Spont. Comb. (and supposed).....	18	63,855
Supposed Ashes.....	1	2,883
Supposed Carelessness with Candle	1	370
Supposed Carelessness with Cigar..	3	6,600
Supposed Carel'sn'ss with Matches	2	486
Supposed Defective Furnace.....	2	10,216
Supposed Defective Stove.....	1	1,210
Supposed Rats with Matches.....	1	2,202
Tinker's Furnace.....	1	.....
Upsetting Coal Oil Lamp.....	5	544
Upsetting Glue Pot.....	1	.....
Upsetting Varnish.....	1	135,143
Unknown.....	22	75,898
Total.....	281	$437,750

There were 315 fires and alarms, or 82 less than reported last year. Matches were re-

sponsible for 27 fires, fireworks for 33, and cigars and pipes for 17.

Of 341 buildings burned or damaged, 52 were brick and 289 frame. Forty-one were a total loss and 59 were considerably damaged. The flames were confined to one building in 191 cases. There were 42 fires without any loss to buildings. May, June and July show a greater number of buildings burned than other months. In May there were 36, in June 42, in July 66.

There were seven incendiary fires, and two incendiary attempts. Six of the seven incendiary fires were insured property.

The following tables are copied, in the belief that they will be of interest to the general reader:

AVERAGE LOSS TO EACH INHABITANT.

Years.	Loss.	Population.	Av. Loss.
July 1, 1880, to June 30, 1881..	$395,478	$230,735	$1 71
July 1, 1881, to June 30, 1882..	729,136	236,000	3 08
July 1, 1882, to June 30, 1883..	890,049	251,000	3 54
July 1, 1883, to June, 30, 1884..	564,017	276,100	2 04
July 1, 1884, to June 30, 1885..	586,710	303,710	1 93

AVERAGE LOSS TO EACH FIRE.

Years.	Actual Fires.	Total Loss.	Av'ge Loss.
July 1, 1880, to June 30, 1881.	306	$395,478	$1,292
July 1, 1881, to June 30, 1882.	360	729,136	2,025
July 1, 1882, to June 30, 1883.	323	890,049	2,755
July 1, 1883, to June 30, 1884.	353	564,017	1,507
July 1, 1884, to June 30, 1885.	281	586,710	2,087

In conclusion, Mr. Durkee calls the attention of underwriters to the numerous frame hay-barns over all the city, and in the most inflammable districts. An ordinance requiring brick hay-barns is urged, and as an example of the value of such ordinance, a recent fire is cited, where for the fourth time an Eighth street hay-barn was burned, entailing a loss of $15,124 to surrounding property.

It is reported that nearly one hundred companies have signed the New York 15 per cent. commission compact, and that the number still required can be readily obtained. The resolutions embodying the compact were printed in the July COAST REVIEW. It is left optional with the companies to pay either a flat 15 per cent. commission, or a flat 10 per cent. and a contingent 12½ per cent. on the profits of the agency.

The Average Age will Increase—Testimony of an Odd Fellow.

The Independent Order of Odd Fellows of Missouri talk of adopting co-operative life insurance to strengthen the order. The better posted members oppose the plan as being prejudicial to the prosperity of the order, and wholly destructive of its benevolent character. They realize that while the insurance feature may increase the membership, it will also lower the quality of that membership, increase the responsibilities, and substitute the most selfish motives for the noble charity which is now the corner-stone of the order.

Mr. E. Wilkerson, who is a member of the Missouri Independent Order of Odd Fellows, has addressed a vigorous protest to the members, in which he shows the fallacy of assessment insurance and the special evil of its incorporation with the order. We quote as follows:

"Co-operatives will claim that

THE NEW MEMBERS

Coming in will lessen the cost; false again. The tables show what must be paid for those in. Some of the new members will die, too, and thus make the cost just so much more than the table shows. *The lapses and the new members both increase the cost of insurance in a co-operative.* The advocates of assessment insurance will also insist that they can keep the assessments from increasing by keeping the average age of members from increasing by the admission of new and young members. This is so transparent a falsehood as scarcely to merit notice, but I will give you one example to show the impossibility of preventing the increase of the average age. Take a society with 81,822 members whose average age is 35. The total years of age is $81,822 \times 35 = 2,863,770$. The deaths for ten years (according to the mortality table) will be as follows: 1st year, 732; 2d, 737; 3d, 742; 4th, 749; 5th, 756; 6th, 765; 7th, 774; 8th, 785; 9th, 797; 10th, 812; total, 7,644.

"At the end of tenth year they have 74,173 members, age 45—

$74,173 \times 45 =$ ...	3,337,785 years.
Add 7,644 new members at 35=...	267,540 "
And you have 81,822 members,	3,605,325 "

Whose average age is 44 $\frac{6}{100}$ years, an increase of 9.06 years. If you add 7,644 members at age 20, the average age is 42$\frac{2}{3}$ years; an increase of 7$\frac{2}{3}$ years.

"The average age *will* increase; the young and healthy *will* drop when they begin to see what they are paying for the old members who are dying.

IT IS IMPOSSIBLE TO KEEP THE AVERAGE AT THIRTY-FIVE.

The coöperative men assert that insurance with them cannot cost more than $8 to $12 per $1,000. To show the falsity of this, take a society with 100,000 members, aged 35, insured for $1,000 each. Here is a liability of $100,000,000! The expectation of life at age 35 is 31 $\frac{78}{100}$ years, say 32 years. This $100,000,000 must, therefore, be paid in 32 years. 100,000 paying $12 a year for 32 years will pay $38,400,000, or $61,600,000 less than the liability. Now if the members cannot be required to pay more than $12 per annum, how is a deficit of $61,600,000 to be made up? If they pay only $12 a year, *how long* will it require to pay the $100,000,000? Answer: 83 years. This would require that they attain the average age of 118 years! or 51 years over the expectation, according to the table of mortality.

"All of this figuring is without any charge for expenses, but must be provided for by additional payments. The expense of managing the business of the co-operative is no trifling sum, when it is shown by their sworn statements, made to State officers in such States as require them to report, to be nearly fifty per cent. of their income (taking the average)—over double the percentage of expenses of the regular companies.

"REMEMBER THAT THESE SOCIETIES FURNISH ONLY TEMPORARY INSURANCE.

In them you pay as you go, it is true, but you go *only* as you pay. Whenever you discontinue paying assessments—from inability to pay or otherwise, you are dropped—you forfeit membership and get *only* the insurance for the time you pay. In a regular company after paying for two years your policy is non-forfeitable, and if discontinuing at any time thereafter, you are entitled, under the laws and the custom of the company to an equivalent in paid-up insurance. For instance, insuring at age 35, after paying ten years' premiums (ordinary life plan), you are entitled to a paid-up policy for $258, or nearly as much as has been paid in. Or, under the law, your policy may be extended—continued in force—for such time as its value will pay for temporary insurance; this, at age 35 (at entry) is eight years and two hundred and forty-eight days—thus giving you eighteen years and two hundred and forty-eight days insurance for the premiums paid."

The Stockton Convention of Local Agents.

On the 15th of September a convention of local agents of California met at Stockton to form a union for the purpose, as stated by a member, of mutual improvement and protection as underwriters. About twenty leading agents were present, and forty-odd more sent letters of regret and endorsement. About $450,000 in annual premiums was represented. A permanent organization was effected, with the following officers, who are to serve until the regular annual meeting in January next:

President, H. Griffin, of Oakland; 1st Vice-President, E. W. Fogg, Oroville; 2d Vice-President, A. Leonard, Sacramento; 3d Vice-President, G. F. McLellan, Los Angeles; Secretary, H. H. McCloskey, Merced, Cal.; Treasurer, S. B. Davenport, Stockton. The Executive Committee is as follows: Chas. W. Dohrmann, Stockton, Chairman; Bruce B. Lee, Red Bluff; J. B. Fuller, Marysville; L. W. Hilliker, Woodland; E. K. Alsip, Sacramento; F. T. Tadlock, Fresno; T. S. Montgomery, San Jose; Geo. W. Hazzard, San Diego; H. T. Smith, Oakland.

The tone of the convention was thoroughly conservative. The various grievances of the local agents were brought up and fully discussed. Some of the mountains were decided to be mole-hills that time would wear away. The question of commissions received a full consideration and it was decided that the rates now prevailing in Stockton, Sacramento and Los Angeles, etc., were ample; but a uniform commission, and

protection from invasion of the several fields met with hearty approval.

Uniformity in policies, adequate and inadequate forms of covers, monthly accounts, general blanks, pro rata and short rate cases, tramp and cross-roads agents, and all objectionable practices in vogue in the local field were discussed and referred to the Executive Committee with full power to memorialize the Pacific Insurance Union for relief on such matters as were deemed urgent. Several special agents were present, and by request participated in the discussions.

The convention was in session two days. The Compact and the COAST REVIEW were endorsed. The new association is styled "The Local Underwriters' Union."

We epitomize the constitution and by-laws adopted by the convention, as follows:

THE PURPOSES.

The purposes of the association are:

1st—To foster fraternal feeling, promote unity of action among members, correct abuses, and by contact and interchange of ideas educate ourselves in the correct principles and practices of underwriting, and thereby elevate tbe standard and standing of those who conscientiously labor in the great field of fire insurance.

2d—To assist in equalizing and maintaining adequate rates, in order that those who invest their capital may receive a fair remuneration for the risk assumed, and at the same time relieve the burden, as far as possible, from those who require indemnity.

3d—To present to the managers of our companies and the Pacific Insurance Union, or such other organization of companies as may hereafter be formed, our various grievances, and firmly urge what we deem to be our rights, and especially an adequate compensation for our services.

4th—To encourage the organization and proper equipment of fire departments in all cities and towns, and by our united efforts to decrease in every way the fire hazard.

5th—We declare ourselves opposed to the present pernicious system of multiplication of agents, and to the writing of risks on property outside of San Francisco by companies and brokers in San Francisco, and we request a clear and sufficient field for the support of each agent.

MEMBERSHIP.

All local agents holding the commission of any fire insurance company and doing a business of $2,500 in gross premiums per annum shall be eligible to membership. Upon the unanimous recommendation of the Executive Committee, agents with a less volume of business may be admitted to membership. The admission fee is $5 and the dues are $6 per annum.

OFFICERS, ETC.

The officers consist of a President, First, Second and Third Vice-Presidents, a Secretary and a Treasurer, who shall hold office for one year from and after the second Wednesday of January of each year. At each annual election the President shall appoint an executive committee of nine members, who shall hold office for one year. The committee is to exercise a general supervision of the affairs of the association.

The Local Underwriters' Union.

As reported elsewhere, the convention of local agents of this State, held at Stockton last month, effected a permanent organization and adopted a constitution and a set of by-laws. The real and imaginary grievances were ceremoniously brought forth and duly aired, and the executive committee were instructed to address the Pacific Insurance Union on the 8th inst., and formally petition for relief.

In this convention of local agents the conservative element largely predominated, and the avowed purposes and expectations were therefore, as a rule, eminently reasonable. It is understood that the principal wrongs to be redressed are inadequate commissions and the transaction of a country business through San Francisco brokers. The locals want 20 per cent. commission all round, but will doubtless be satisfied with 15 per cent. on town and village business, and 20 per cent. on all business outside of corporate limits.

It must be admitted that the necessary expenses involved in the transaction of

nearly all country business make it, if not undesirable, at least a matter of comparative indifference at 15 per cent. commission. The compensation does not secure that thorough and regular inspection of risks which is so important, for, in many cases, the local does not feel justified in devoting any more time or thought to the matter than may be required to dispose of the necessary papers and correspondence. His share of the premium, after deducting livery and other expenses from his 15 per cent., has usually dwindled to a trifle which does not brace his conscience nor stimulate his energy.

In the case of the country agent versus the city broker, the position of the COAST REVIEW must be pretty well known, for this journal has frequently espoused the cause of the local. The practice of accepting country risks through city brokers is not only rank injustice to the local agent who is thus deprived of his legitimate commissions, but it is an objectionable practice from an underwriting point of view. The office accepting country risks over the counter does so at a disadvantage so far as the knowledge of such risks is concerned. The nature of the hazard is never so well known as when the risk reaches the San Francisco office through the proper local channel, nor is the office kept informed of changes in the hazard. It is not at all improbable that the increase of losses in California is largely owing to the growth of this phase of the brokerage evil.

Something should be done by the Pacific Insurance Union for the eradication or diminution of this practice of handling country business through the city brokers. Perhaps the edge of the evil would be taken off if the broker were forced to divide his commission with the local agent, who in turn would make the necessary inspections.

The Local Underwriters' Union will doubtless receive ample encouragement from San Francisco Underwriters, not only because the new association will serve as a valuable auxiliary to the Pacific Insurance Union, but because of the indirect benefits growing out of the maintenance of such an organization of local underwriters. If its educational possibilities are properly improved, many petty vexations may be gradually eliminated from dealings with local agents. If the fraternal side of the association is properly cultivated, the personal as well as professional standard of members may be elevated, and competition between the locals themselves be readily restricted to honorable limits.

Thus far the local agents of California, in their effort to protect their rights and improve themselves as underwriters through a general organization, have the cordial sympathies of San Francisco underwriters, and may depend upon their active co-operation as long as conservative influences regulate the purposes and demands of the Local Underwriters' Union.

Steam Pipes and Iron Shutters.

At the recent annual convention of the National Association of Fire Engineers, at Long Branch, Chief Shay, of New York, stated that in his opinion numerous fires had been caused in his city by the overheating of steam pipes in too close contact with wood or other combustible substances. Other members present expressed the same opinion.

Chief Swenie, of Chicago, said that iron shutters as usually made and placed formed a most difficult obstacle for firemen to surmount. He believed that their influence was to destroy property rather than protect it. In April, 1884, the COAST REVIEW advanced a similar objection to iron shutters, and contended that they should be left open or unlocked above the ground floors. If closed, the shutters should also be perforated, so that the light of a fire in the interior may be seen at the earliest moment. In the discussion of this subject by the members of the convention, the general opinion favored the substitution of shutters of wood encased in tin, but if the iron shutters were to be retained, some method of opening them from the outside should be devised. Chief O'Connor, of New Orleans, did not believe in iron shutters, but thought they ought all to be opened from the ground floor. The legislature of Louisiana, he said, compelled the use of appliances for opening shutters.

Barratry.

Frank L. Clayton, Alfred Brotherton and George W. Brown have been arrested at Baltimore for barratry. Clayton, who is the senior partner of a well-known brokerage firm, owned the brig *O. T. Stillman*, of which Brotherton was captain and Brown first mate. The brig sailed from Charleston, S. C., September 2, 1884, with a cargo of staves for the West Indies. On September 24th she was abandoned at sea, and her crew picked up three days later by a passing schooner. In the early part of April, 1885, the brig was picked up and towed into Bermuda. Her cargo was insured for $20,000. All of this amount was paid to Clayton on the statement of Captain Brotherton that he was compelled to abandon the brig because of heavy weather and the unseaworthiness of the vessel. When the *Stillman* arrived at Bermuda she was examined by agents of the underwriters, who found the vessel in excellent condition, but with a number of holes below the water line, which had evidently been bored from the inside. The underwriters at once put the matter in the hands of detectives and they pushed it with energy. Clayton was released on $10,000 bail, but for the others bail was refused. The schooner *E. C. McDonald*, which Brotherton took command of after the *Stillman* was wrecked, had been cast away off Turk's island, from where she was bound to Baltimore. The *McDonald* was also owned by Clayton. The offense with which Brotherton is charged is punishable with death.

Ready to Listen to Reason.

A few years ago, perhaps only a year ago, members of the fraternal insurance societies in this field were bitterly intolerant of any discussion of the assessment plan. They had a blind, foolish faith in the practicability of the theory, and angrily resented disbelief as something due entirely to the representations of the regular life companies or their agents. The schemers who hold profitable places in the insurance orders have always diligently fostered this spirit of intolerance, fearing that any discussion of the defects and record of assessment insurance would reduce the membership and their perquisites at the same time. But the failure of so many fraternal and business co-operatives has wrought a marked change in the attitude of the fraternal societies' members, in the consideration of the subject. Their confidence has been so severely shaken that as a rule they no longer exhibit that bigotry which formerly marked their treatment of every effort to show them the fallacy of co-operative insurance. There has been a still greater revolution of sentiment in the outside and disinterested public, who now know enough of co-operatives to make the name serve as a term of reproach.

Fire Underwriters' Association of the Northwest.

The sixteenth annual session of the Fire Underwriters' Association of the Northwest was held at Chicago on the 23d and 24th of last month. The attendance of members and visitors was creditable, and the papers on various topics read during the two days' session were all interesting. The discussions elicited by these papers, or upon topics introduced for that purpose, were spirited, trenchant and practical. The exodus of the companies from New Hampshire was formally approved in a set of resolutions, as follows:

Resolved, That the growing injustice done to the fire insurance companies by many of the Legislatures of the States throughout the country, in enacting laws which are not only subversive of good government and the welfare of the respective constituents, but are really premiums offered for arson and incendiarism.

Resolved, That silence and submission on the part of those who have placed their fortunes at risk in the very hazardous enterprise of protecting the people from losses by the ravages of fire, is no longer becoming, and forbearance has ceased to be a virtue.

Resolved, That the passage by the late Legislature of the State of New Hampshire, and the endorsement by its Governor of what is known as the valued policy bill, is unworthy of the age and civilization in which we live, and merits the condemnation of all right thinking men.

Resolved, That the manly stand taken by so many of the most prominent fire insurance companies doing business in the United States, in promptly withdrawing the protection heretofore afforded to the citizens of New Hampshire, was their only alternative, and meets our fullest approbation.

Instituted 1808.

STATEMENT OF THE CONDITION AND AFFAIRS

OF THE

ATLAS

ASSURANCE COMPANY OF LONDON,

On the 31st day of December, A. D. 1884.

CAPITAL, ...	*$6,000,000 00*
Amount of Capital Stock paid up in cash, .	*720,000 00*

Assets.	Real Estate owned by Company (exclusive of Company's Freehold Building, Cheapside, London,)	$	48,153 94
	Loans on Bond and Mortgage		3,705,849 23
	Cash market value of all Stocks and Bonds owned by Comp'y.		668,283 99
	Cash in Company's Office		1,218 44
	Cash in Banks		219,978 03
	Interest due and accrued on all Stocks and Loans		29,296 24
	Interest due and accrued on Bonds and Mortgages		4,972 37
	Premiums in due course of collection		51,644 29
	Loans on the Company's Life Policies		307,017 71
	Mortgages on County, Board and Corporation rates		4,189,600 41
	Life Annuities purchased by the Company		14,835 00
	TOTAL ASSETS		$9,240,849 65
Liabilities.	Losses adjusted and unpaid—Fire	$	27,994 75
	" " " " —Accident		168 75
	Gross Premiums on Fire Risks running one year or less; re-insurance fifty per cent.		264,279 96
	Cash Dividends to Stockholders remaining unpaid		51,580 88
	Net Premium Reserve, and all other Liabilities, except capital under their Life Insurance or any other special department		7,624,178 83
	TOTAL LIABILITIES		$7,968,203 17
Income.	Net Cash actually received for Fire Premiums	$	528,559 92
	Received for Interest on Bonds and Mortgages		58,207 77
	TOTAL INCOME	$	586,767 69
Expenditures.	Net amount paid for Fire Losses	$	296,445 73
	Dividends to Stockholders		90,000 00
	Paid or allowed for Commission or Brokerage		67,369 94
	Paid for salaries, fees and other charges for officers, clerks, etc.		73,253 71
	Paid for State, National and local Taxes		1,684 89
	TOTAL EXPENDITURES	$	528,754 27
LOSSES incurred during the year—Fire		$	333,825 00

H. M. NEWHALL & CO.

GENERAL AGENTS FOR CALIFORNIA,

GEO. MEL,
Manager.

Office, 309 Sansome St., San Francisco.

THE BOSQUI ENGRAVING & PRINTING CO.

Resolved, That we recognize in the act that the time has at length arrived when fire insurance capital is about to breast the pelting storms of abuse, unjust taxation and kindred oppressions, and while standing in its place as one of the recognized necessities among the commercial enterprises of the present day, asserts and demands its just rights and protection.

The committee on the compilation of the experience of companies made the following report, which was adopted:

First—The appointment of a committee of managers within this jurisdiction. *Second*—The preparation of uniform blanks based upon two systems of reinsurance reserve; the legal requirement of fifty per cent. on annual, and ninety per cent. on term risks, and that based upon the actual unearned premiums of such company, the object being to show that the present system of computing reserves is a legal fiction. *Third*—A pledge by the association to keep the reports in the strictest confidence, the results to be compiled in one aggregate report. *Fourth*—Companies to be furnished with duplicate blanks and forms. *Fifth*—After compilation originals to be destroyed or returned to the companies. *Sixth*—The association to bear the expense where companies cannot audit payments as a corporate expense.

Resolutions offered by Mr. Fox, favoring the insertion in all policies of a co-insurance clause, requiring the assured to bear a proportion of the loss, varying according to the nature of the property, favoring contingent commissions for agents and calling for more thorough and complete schedule of rates, were adopted without objection.

The officers elected for the ensuing year are: President, W. T. Fox of Chicago; Vice President, H. H. Hobbs of Chicago; Secretary, J. C. Griffiths of Madison, Wis.

We make extracts from the addresses and papers read, as follows:

President Whitlock's Address.

It has been affirmed that the local agent is responsible for more of the increasing fire waste than any other element. This we believe does him gross injustice. Let us place the responsibility just where it belongs, viz: with the companies themselves. Professionally viewed, the local agent is just what the companies have made him. The principal lesson they have sought to enforce upon his attention has been the necessity of getting business, and well has he learned it, and reasoning from conclusion to promises, we might almost be pardoned for inferring that the instructions of some companies read after the fashion of the advice of the worthy Quaker to his son who was about to leave the parental roof to seek his fortune in a distant city, which advice ran thus: "My son, get money; honestly if thee can, but—get money," or, in their own vernacular thus: "Send us business; we are not extremely particular about matters of such minor importance as rates, commissions, forms of policy, cancellation of policies *pro rata* when short rates should prevail, insuring vacant dwellings, including policy fee with the premium, approving small barn risks whether good dwellings accompany or not, giving permit for unlimited insurance, approving one hundred dollar dwelling risks for five years for a premium of one dollar and a half, permitting five dollar charge for postage when the actual expenditure has not exceeded twenty-five cents, permitting charge in monthly account for special service when no such service has been rendered, etc., etc." Encouraged by a license broad as this, and by the reflection that his responsibility ceases when the policy is written and the commission in his pocket, a local agent must be more than human who does not accept some business which cannot receive the sanction of his better judgment, and who will not accept from over-anxious and not over-conscientious policy seekers some risks that will not bear a more critical survey than that which is made from the office chair.

The agent probably observes that each succeeding semi-annual statement of such a corporation shows its net surplus becoming beautifully less; but the depreciation in government bonds, stocks and other securities explains this fact to his satisfaction, nor does the true inwardness of the situation dawn upon him until the news comes to him over the wires that his free-and-go-easy company has passed into the hands of a receiver or re-issued in some company represented by a rival agent.

With local agents as with officers of companies, there is occasionally one to be found who will spend more time in looking for technicalities which will give him some

shadow of an excuse for deviating from the rules and regulations governing the association to which he may have pledged himself to be loyal, than he will to find a reason for their closer observance. But, as a class, the local agents are quite as true in the discharge of their obligations to each other, and do as much for the promotion of that mutual confidence which is the keystone of all associations, as do those occupying positions higher in the profession. Taking into consideration the obstacles with which he is obliged to contend, and the fact that his interests are apparently antagonistic to those of the companies which he represents, it is a matter of surprise that he has rendered them as efficient service as they are pleased to credit him with.

COMMISSIONS.

While, as a rule, the companies have always held in high esteem, and shown great consideration to the faithful local agent, it remains for them to give some more tangible proof of their appreciation, and at the same time pave the way for the serving of their own best interest by making his interests identical with their own. Give him a liberal contingent interest in the net earning of his agency after deducting losses and necessary expenses, also a fair commission to defray running expenses, and you will have established one of the best fire preventatives the world has ever known. Old and dilapidated buildings that have long outlived their usefulness, idle and unprofitable manufactories and unsalable stocks of merchandise will no longer find a ready market by way of the underwriter. Every applicant for insurance, as well as the property upon which insurance is desired, will receive personal and thorough investigation by the agent to whom the application is made. He will be among the foremost in the community in which he resides to encourage wise and stringent building laws, and the adoption and maintenance of every practical appliance for the extinguishing of fire. He will be interested in enlightening the people in every way possible in regard to fires and fire insurance. Through his influence many of the insurance journals that now come to our offices weekly and monthly freighted with so much valuable information, will find their way to the counting-room of the merchant and manufacturer and the home of the mechanic, as well as the sanctum of the legislator. Proportionately to the influence and popularity of the local agent will public opinion be changed until it will be possible to obtain legislation as favorable to the underwriters as to the policyholder.

That many perplexities will arise in adjusting the details of the contingent commission plan of compensation to agents, cannot be denied, but they cannot all be solved and the plan made in every way practical, I am not willing to concede. But, gentlemen, a co-partnership formed between the company and local agent, having for its object the furtherance of their common interests and the preservation of property would scarcely be complete were the third party, the policyholder, excluded from the union. When there shall be a complete unification of the interests of these three parties, fire underwriting in this country will have established itself on a foundation so broad and firm that it will stand undisturbed forever.

CO-INSURANCE.

In adjusting our policies of insurance to meet the emergency of the hour, I would not suggest any radical action, but in language that could be readily interpreted by all, would provide that in event of loss under any policy of indemnity when the ascertained loss should equal or exceed fifty per cent. of the sum insured and be less than 100 per cent., the insured should bear ten per cent. of the loss; and when the ascertained loss should equal 100 per cent., of sum insured, then the assured not to receive more than eighty-five per cent. of the total insurance. The operation of such a rule would be to remove every incentive to over-insurance and the advantage of full insurance would be secured, though the policyholder could in no event collect from the company to exceed eighty-five per cent. of the sum for which he is insured, due allowance having been made for such provisions in the consideration paid to the company.

Upon giving the matter careful consideration, I think you will conclude with me that the application of such a rule would work no special hardship to anyone. The manufacturer and the wholesale merchant would soon find some way of adjusting their system of credits to meet the requirements of the insurance companies.

The Annual Address.

In the annual address by J. Montgomery Hare, that gentleman said, among other things:

Let us diagnose the present situation and see, if we can, what is the cause of the unsatisfactory condition of the business. It is the determination to keep increasing our premium income, to hold our own in the agency, that swells the losses. It is the bad effect upon the local agent of a competing company readily accepting that which we refuse, that makes us hesitate to order a risk off our books, and induce us to carry what our judgment does not approve.

In England no agent represents more than one company, and they carry all his lines which they approve, and reinsure among each other the amounts in excess of what they deem prudent. If such a plan was the custom here, many of our troubles would be removed. At present the good business on our books is too often made to carry the poor; our rates are not properly gauged to the hazard; the small A or B building with one tenant pays part of the premium which should be charged to the building of large area with a number of tenants. The risks protected by police supervision, competent fire departments and adequate water supply, carry those not so protected.

The yearly risks are made to carry those writen for terms of over one year. The mercantile and dwelling risks are made to provide profits out of which are paid losses arising from manufacturing hazards. If the rates charged for a risk where there is seventy-five or eighty per cent. of insurance to value are properly fixed, then in those many cases where similar risks are insured for but fifty to sixty per cent. of value, we charge for the latter an inadequate premium.

We permit full or over-insurance, offering actually a reward for carelessness and incendiarism, and withholding any inducement to the insured to honestly care for his property. We suffer from excessive taxation and onerous legislation—the work of our State Legislature, who, having no thorough knowledge of the business and calling in no expert aid, proceed to burthen us with taxes and to provide contracts for us to issue which we, one of the parties to them, have no voice in framing. Our plan of allowing local agents to at once issue policies on manufacturing risks without first submitting them to the head office often proves unprofitable both to the agent and the company he represents. In certain of our States and Territories our rates are not sufficiently high when compared with those of places where, from milder climate, older settlement or less moral hazard, the number of fires is less.

LEGISLATION.

While our legislators are trying to enact laws which force us to offer inducements to incendiarism and carelessness, perhaps it would be well to call their attention to some provisions of the French code.

Article 1386 of that code provides: "The landlord of a building is responsible for the damages caused by its destruction when caused by a want of maintaining it or of imperfection in the construction."

Article 1721—"If any loss arises from a default or imperfection in the premises let or rent, the landlord must indemnify the tenant."

Article 1733—"The tenant is responsible for all damages arising from a fire, unless he can prove that the fire was the consequences of a forituitous event, or of an imperfecfection in the construction of the building; or that the fire was communicated from a neighboring property."

Article 1734—"If the building is inhabited by several tenants, all of them are jointly responsible, and each for all, unless they can prove that the fire originated on the premises of one of them, in which case he alone is responsible, or unless some of them can prove that the fire could not have

begun on their premises, in which case they have no responsibility."

This last article was afterwards modified as follows: "If there are several tenants, they are all responsible for the fire proportionally to the value of the part of the premises occupied by each of them."

In addition to the climatic causes which explain to some extent our abnormally high loss ratio, when compared with other countries, the bad construction of our buildings in the absence of proper building laws and their enforcement, we have as the greatest cause of the frequent fires the carelessness of the American people. Now the way to cure this is to make those responsible, suffer by them. The best citizen will have a better risk for this; the best proof is our own feelings. If compelled to leave our dwelling-house or our store, is not our anxiety lessened if it is wholly insured; and if our policy by chance expires and is not renewed for a few days, do we not keep a close eye on that dwelling or store until we have again the protection of a fire insurance policy? To secure this watchful care, let us provide that on each one hundred dollars of hazard the assured shall have twenty dollars at his own risk. If we could fix values at the time the insurance was accepted, we could accomplish this by refusing to permit more than this proportion—but this is obviously impossible.

CO-INSURANCE.

Personal property varies in price from day to day to such an extent as to make any valuation simply delusive. In the case of real property, no reliable value could be made without calling in experts, which would so seriously increase the cost of fire insurance as to cause more grumbling at at our rates of premium than the adjustment of values at the time of fire now calls forth. Then, also, as the insurance may be arranged for months, and in some cases, years, before the fire occurs, the values in that time may have become much shrunken by depreciation from various causes. Nothing so much as this co-insurance clause will help us in reducing the losses of the country; it will make each insured, in addition to better care of his property, alert to see that building laws are enacted, and then still better enforced; to see that incendiaries are hunted down and punished. It will be mutual insurance on the best plan, and its results will soon enable the companies to reduce the rates.

It has been urged against this plan that it will tend to weaken credit by not giving sufficient protection to capital. This can be prevented by the owner dividing his values so as not to have all exposed to any fire. In cases of large stocks of merchandise, by storing part in separate warehouses, he can reduce the values so that his contributions will not be a heavy loss for him to bear. The tendency of this will be to reduce the size of our buildings, now in many cases so large as to threaten whole blocks in our cities and bring upon us general conflagrations.

Attached to this should also be the stipulation that each insurer should place insurance to the amount of eighty cents on the dollar of value, and failing to have this, shall be a contributor for such deficiency.

As at present arranged, we do not deal with equal justice to our customers—given the same class of risk in every respect, the same class of building, the same description of merchandise, the same efficiency in the fire department and adequacy of water supply, and the customer who insures sixty cents on the dollar as against the one who insures eighty cents on the dollar will pay 25 per cent. less rate. The merchant whose rate is 1 per cent., and insures but 60 per cent. of a stock valued at $100,000, will, as against his neighbor paying the same rate but insuring 80 per cent. of a stock of the same value, save just $200 in premiums each year, and in case of loss, in a large majority of cases, each will recover the same amount af insurance money from the underwriters. Need anything further be said to show the necessity of some plan by which this flagrant injustice shall be remedied?

TERM BUSINESS.

The reductions made in our term rates are out of all reason; an examination of the statements of our companies as made to the insurance department of New York, shows

that the average rate of interest secured on assets is $4\frac{81}{100}$ per cent; taking this as the interest secured on premiums paid in advance for long term insurance, and compounding it, we find as follows: If one per cent. for five years is a fairly profitable rate, the rate which stands in proper relation to this for three years is $62\frac{3}{4}$ cents, and for one year is $21\frac{81}{100}$ cents. If we reverse the calculatation, we find if 35 cents is as low as you can safely carry a risk for one year, then the figures to be charged which stand in proper relation to this are one per cent. for three years, and 159 for five years.

Have we not been doing some random business in our reduction of rates to secure business for longer terms than one year? I think the figures so show.

In addition to this enormons discount allowed for term risks, there are other reasons why it is objectionable. You take a building, the surroundings of which may be unexceptionable at the time of insuring, and the applicant in every way desirable, but what may these be at the end of three or five years? You may find the risk in that lapse of time has no resemblance whatever to the one you accepted, and yet in case of loss you pay for it rather than to contest it in the courts. Still we go on doing the business to the extent of nearly one-half of our premiums, and our statements as a result show higher average rates to mislead us.

Let me here quote from Mr. Hine on the subject: "When I say that forty-one per cent. of the business of 1883 was term, and that of the $90,779,180 premiums received, about $25,000,000 must be set over to future years, you will see that our apparent annual rate of ninety-seven cents comes down to less than seventy cents, a figure considerably below what we were getting twenty-five years ago, when the average was eighty-five cents, and the term business less than six per cent. of the whole." The insurance superintendents have done all they could to stop this term business by making it a heavy burden upon the companies in reducing their net surplus, but apparently in vain.

Why not adopt the rule in force in England for deductions on risks taken for long terms? Two year risks there are taken for two premiums less than two and one-half per cent.; three year risks for three premiums less five per cent.; four year risks for four premiums less seven and one-half per cent.; five year risks for five premiums less ten per cent., which is just a fair allowance for the use of the money.

Our remedy for increased taxation in any town, city, county or State, is a percentage to be added to the rate to more than fully cover this tax, whether it be a specific one or a percentage. This should be in such shape that it shows it is collected because of the tax, by an indorsement on the policy that $—— is charged because of excessive taxation. Every policy, if this plan be followed, will be a strong influencer of public sentiment on the subject. I think this is very much preferable to a withdrawal or ceasing to do business, as this plan causes us to lose business, which the other will not, if done through the action of the local boards.

SPECIAL HAZARDS.

Both agents and companies now are the losers because of the custom of issuing policies on special hazards without first submitting them to the head office; the agent, because if cancelled afterwards, the customer is disturbed and the risk possibly goes to another agent; the company, because if the policy had not been issued, but the risk merely submitted, they would have felt freer to have refused, and thus escape a possible loss. It would be a much better plan to have such risks covered by an *ad interim* receipt, the premium paid, and an agreement that it could be cancelled on twenty-four hours' notice to the assured at the wish of the company. If this course was followed, the office could consult with the field men as to the risk, in many cases could survey it, and if accepted, could suggest a form of policy with much benefit to all concerned.

In England, even agents at the largest agencies do not issue policies on any class of hazard—they are all issued at the head office. Agents are permitted to issue interim receipts protecting the assured for a period not exceeding thirty days, the in-

sured paying the full premium or a deposit on account thereof. Should the head office decline to issue a policy, the agent is at once advised, and he returns to the insured the amount paid, less premium for the time the office is on the risk. Competition has caused great looseness in our ways. Is it not time to cry halt, and see if we are not going too fast?

Malt Mills.

The following is an extract from a paper on the fire hazards of dust, by C. John Hexamer, of Philadelphia:

My experiments so far have mostly been carried on with malt dust, a department which, from its great practical importance, merited prime attention, as within the last decade fires in breweries and malt houses have been largely caused by explosive fires in the dust room. With the present arrangements of malt mills in breweries, explosions and fires of this nature are not restricted to the mill room, but spread through the elevators and openings throughout the entire building, generally occasioning heavy losses. One of the greatest defects of the present system is that of having the mill inside of the main brewery building. This should be placed outside. It is just as dangerous, if not more so, to have the malt mill in a brewery as it would be to have the picker of a shoddy mill in the main building. The first and cardinal change from the present system should be as follows:

The mill should be situated outside of the main brewery in a separate building, all communicating openings between the mill house and main building being closed by iron-lined doors with stone sills, and the doors should be self-closing.

At present the malt mill of the ordinary type consists of a cleaning apparatus, frequently for dust only, a pair of chilled iron or steel rolls, sometimes corrugated, motion being imparted to but one, the other being turned by friction. The crushed grain drops from the rolls into the elevator cups and is then carried to the grain bin, generally situated on one of the higher floors. Now let us look at this arrangement and examine its defects. The malt, after passing through even the best cleaner, still contains extraneous particles of iron, but with the ordinary cleaning apparatus the grain is full of such particles as stone, iron nails, bits of wire from self-binders and reapers, matches, and I was even informed of a case where a loaded pistol cartride was happily detected before passing into the mill.

In case a piece of iron comes between the revolving rolls, it is apparent that a spark is readily created which instantly inflames the finely divided dust in the mill box, causing an explosion and fire. But the explosion must find vent somewhere, so it travels up the elevator legs, being in fact sucked up by the draft in it, caused by the upward motion of the cups, acting like so many fans. A very dry dust—having lost much moisture by passing through the rolls—fills the legs and is also ignited, carrying the fire from story to story, while the elevator box, which is almost without exception of wood, is rapidly burned through, and thus an entire building may become a prey to the flames. Having considered the defects of a system which has of late caused most of our brewery fires, let us next consider how to overcome them.

The grain should be thoroughly cleaned before passing into the mill; this may be accomplished by a number of devices, the simplest being a cylindrical or hexagonal screen with meshes of unequal sizes. One-half contains meshes large enough to allow dust to pass, while in the other half the size of the meshes is increased so as to allow the passage of grain, retaining, however, all larger and irregularly formed foreign matter. The grain, after passing into the cylinder, is rolled about by the revolution of the screen; the malt dust falls through the small meshes, the grain passes into the second half—containing the larger meshes—where larger foreign matter is retained and shot out into a bag at the other end, while the grain falling through the meshes drops into the rolls. Many other but more complicated processes may be employed for this purpose, a description of which would, however, make this paper too voluminous.

Grain should be especially well cleaned of all iron particles, as it is these which—by

striking a spark—create most explosions and fires in malt mills. Iron can only be effectually eliminated from the grain by a strong magnet. A weak magnet will not answer, as the magnetic force must overcome the momentum with which the grain runs down the spout into the mill. Magnets are arranged either in the form of horse shoes through which the grain runs, or as a single very strong plate magnet. The latter method is preferable, as the number of smaller horse shoe magnets will not have the same amount of attractive force as one large plate magnet.

The grain, after being well cleaned and all the remaining iron removed by the magnet, is passed into the rolls. As these are well known we will not describe them here, but simply state that they should be gearing, not friction rolls. In the case of friction rolls, motion is imparted to but one roll, the other being turned by the friction of the passing grain. In gearing rolls, to the contrary, the rolls are driven by gearing, and therefore both have their own motive power. In the first case, a piece of iron or stone coming between the rolls would cause a large amount of frictional heat, producing a spark and perhaps an explosion. In the second case, the rolls, by the motive power which both have, would be more likely to have sufficient power to crush or flatten any extraneous particle without the production of enough frictional heat to cause an explosion. Independent belt rollers are safer than friction, but on account of the slipping of the belts, not quite as safe as gearing rolls. To still lessen the chances for the creation of heat, the rolls should be held together by powerful springs, strong enough to allow grain to be crushed but separating on the entrance of some harder body, such as a piece of stone or iron. At present most malt mills have their rolls held together by set screws, which are arranged so as to set the rollers at any desirable distance apart; in case a hard extraneous substance comes between the rolls there is no "give;" the only chance of stopping the enormous friction between the hard substance and rolls will consist in the breaking of the screws or the crushing or flattening of the substance.

The great danger in malt mills is that in case of an explosion the explosive force and fire are not confined to the mill only, but run from the mill into the elevator and from there are distributed over the entire building. To check the force and fire of an explosion we must put a barrier between the mill box and the elevator. This can best be accomplished by placing a receiving hopper below the rolls, kept well filled while the mill is in operation, and from this hopper feed into the elevator cups. We thereby have a barrier of meal between the elevator and the mill, a barrier almost as effective as one of sand. But the important point in this case will be to keep the hopper well filled, for a hopper which is not full merely acts as a conduit and not a barrier to an explosion.

The receiving hopper and elevator should be lined, so that in case of fire the flames may be restricted to them. The lining of the elevator box should, however, not be of iron, but copper, as the elevator cups, on striking against an iron lining, might readily create a spark.

That the force of explosions may be spent without harming the building, large vent pipes—leading into the open air—should be introduced into the mill box. Iron pipes, closed on the outside by caps similar to our common stove pipe hole caps—which in case of an explosion would be readily blown off—would be the most effective.

The compartment appropriated for the use of the malt mill should be well lighted, so that no artificial light may be required on the cloudiest day. Where night work is in vogue or where artificial light is required for day work, the light should be enclosed, and under no condition should loose candles or coal oil lamps be employed.

Loss Cycles.

In discussing what he is pleased to term loss cycles in insurance, H. P. Hubbill wrote as follows, in addition to much that was merely illustrative of the so-called "law of periodicity:"

In seeking for the causes which produce periodicity I put but little stress upon the *direct* effect of the weather. We must, I think, conclude that they have their origin

in those general financial conditions which give rise to business failures. Those conditions are, a series of five or six years of steadily increasing prosperity during which investments bring sure returns, and capital seeks new channels. The capacity of established industries is increased, new enterprises are engaged in, stocks in trade are swollen, and the whole country seems borne along on a high wave of prosperity. Then, suddenly, there is a general failure of crops, or there is such an over-production of them as to bring prices down to an unremunerative figure. The purchasing power of the country is curtailed. There is not the expected demand for the stocks in trade, but as the check is not felt at once, the mills and factories go on adding to the already overstocked market, and by and by the crest of the wave breaks and there follows several years of business stagnation, failures and incendiary fires.

In these prosperous years capital being transformed into mills, and factories and stocks, there are, therefore, a largely increased number of risks, so that from purely ordinary causes we should have a corresponding increase in losses, and this doubtless accounts for a good share of the seventy per cent. increase referred to. But if we were to assume that insurable property had increased in six years thirty per cent. and that losses from that cause had increased in like manner, we should still have left forty per cent. yet unaccounted for. A thousand chimneys, stores, dwellings, mills or factories built in 1878 are practically the same as the like number built in 1884, so that we cannot look to *physical* causes for this balance, and the conclusion is inevitable *that it is the moral hazard that must be held accountable, that the bulk of this enormous increase in fire waste is due to the incendiary's torch!*

Admitting the correctness of these conclusions there are several deductions which suggest themselves.

First.—The recurrence, at more or less regular intervals, of these excessive loss years must be inevitably expected.

Second.—As "an ounce of prevention is worth a pound of cure," the time to purge the business of doubtful risks is during the closing period of those healthy years when all is so deceptively prosperous.

Third.—That those companies which fail to work on this plan, but hasten to reform their methods when the worst is over, are, it is to be feared, but "locking the barn after the horse is stolen." And they are likely to ascribe to their own reformatory measures what is really due to the operation of *general* causes.

Fourth.—That no amount of watchfulness can entirely remove the operation of these periodic causes, for the moral hazard is very frequently of mushroom-like growth, and springs up spontaneonsly in what before had been good soil.

Fifth.—No increase of rates nor additions to prohibited lists will materially affect results. For it is not *special* causes that have produced so *general* a disaster. Those industries, trades, callings, which are most closely dependent upon the trade of farmers will feel the heaviest strain, and among them the leven of incendiarism works and extends upwards to related industries until it permeates the whole mass.

Sixth.—That the average rate for the respective risks should be based upon an experience covering at least one cycle.

Seventh.—That to the special agent the *moral* hazard should be the main object of inspection, and that the pruning-knife should be freely applied to over-insurance, to experimental ventures, and to unprofitable business. In doing this he will not only work up to the best results for himself and his company, but he will do much towards lessening that great periodic fire-waste, which, like some fiery monster has swept with increasing size across our heavens, has reached his perihelion, and is now, let us fondly hope, receding to those cooler realms of space, whence it will be many years ere he again emerges.

Responsibility of Underwriters.

J. C. Griffiths, State Agent of the Home of New York, read a paper on "Our Responsibility," in which he said:

I assume that it is not necessary for me to tell you what the present situation is

A gradual falling off, year by year, of the companies' assets, speaks more forcibly than I can, and who will deny that this diminution of wealth is not attributable to some great cause? What, then, is this cause, and for which we are responsible?

A careful review of the manner in which some companies have done business will clearly illustrate their responsibility for the hostility of the public, and the adverse legislation from which we are suffering in many States. It is a fact that the companies employ men as agents who are totally unfit for the position, and who utterly disregard all the principles of insurance, their only object seeming to be to get the people to take as large a policy as possible that their remuneration may be increased; and how often do adjusters find, when called upon to settle some loss, that the property has been insured to double its cash value. Now, we all know that had the companies knowledge of this fact, they would not insure the property; but what means have they for determining it, when the very application which is made the basis of the contract, is full of misrepresentations?

The first valued policy law was enacted in Wisconsin, and was the outgrowth of the three-fourths clause in some of the companies' policies, which was rendered necessary on the part of the companies to protect themselves against over-insurance by this class of agents. So, you see, gentlemen, we are entirely responsible for this valued policy law which we regard as so outrageous on the companies who desire to conduct their business on business principles.

From the opinions quoted, it is clearly demonstrated that any reform in the business must be inaugurated by the companies themselves. To expect any different treatment from the people, while the business is conducted as at present, is out of the question, from the very fact that the present method of conducting it is father of the evils complained of.

What, then, is necessary to be done? In the first place, insurance is too easy to obtain. What capitalist ever thinks of making a man a loan upon his representation of the value of the security? And yet this is what the companies are doing every day. To be sure, the companies don't understand it this way, agreeing, by their contract, to only pay the actual cash value of the property at the time of the fire, but since the company, through its agent, has virtually agreed with the man as to the value as represented by him, by taking the premium upon the amount, it puts them in very bad odor to wait until after a fire to ascertain what the true value of the property was. Nor is it fair for the public to say: "Your agent should have known what the property was worth?

No, we need some other means of ascertaining the value of the property other than the estimation of the assured and the opinion of the agents, whose knowledge may be in an entirely different direction, and while it may not be practical to insist upon a detailed estimate of the cost of replacing a building, by two competent builders, yet it would be in reason to demand a certificate, under oath, by such, as to the present cash value of the property. Such a precaution is certainly necessary in all States having valued policy laws upon its statutes, and would make such a luxury verv unpopular.

As to the means of ascertaining the value of personal property, let the applicant be compelled to furnish a detailed statement of the quality and kind with the age of each article, and cost of same. It appears to me that we exercise the least care of all in writing policies upon stocks of merchandise. It is no trouble for a merchant to get insurance to double the value of his stock, and it is seldom the agent asks him what was the amount of his last inventory and when taken, or whether he keeps books of account, for adjusters will testify that they have had many losses on stocks to settle, where there was not even any correct record of purchases and sales; and as for the last inventory taken, why that is so old that it has become defaced by age, or if intact, portions of it are missing, it having been taken on scraps of paper! Now, all this illustrates that we are too eager to insure property, and do not adopt safeguards to insure profits to the companies, or for

what may be for the best interests of assured. If *we* do not place any value on our policies, we cannot expect the people to, and so long as companies will issue policies in this free-and-easy way, just so long we may expect no reform, and the business will continue to be unprofitable to the companies.

No policies should be written on stocks of merchandise where the assured does not keep books of account—at least, showing his purchases and cash and credit sales—and where an inventory is taken at least once a year, a copy of which should be furnished the agent under oath, who should supply the company insuring the property with a certified copy, as well as a statement of the merchant's assets and liabilities. If such a showing could be made to the companies, what losses could be averted, and how much better it would be for the merchants at large, who would be compelled to make such a showing—for he would become acquainted with his true condition at least once a year, which now he seldom or ever knows. When the value of all property is ascertained in the manner I have described, then no company should insure to exceed three-fourths of it. Will some say that these suggestions are not practical? Well, judging from the manner in which the business is at present conducted, they would seem not to be; but, gentlemen, if you wish to command respect from the world you must be worthy of it, and throw around yourselves such safeguards as prudence demands and such as honest men will respect. To expect to make profit out of the business as now conducted is out of the question, and sooner or later you will be compelled to adopt some such reform as I have mentioned, or seek some other business for a livelihood. It may be charged that I have been a little too severe in my criticism, but, gentlemen, the patient is very sick and needs medicine of more than ordinary strength to revive him. Let us, then, members of the profession, wake up to the sense of our duty and realize "our responsibility."

Best System of Inspection.

On this topic, J. G. Finnie said: "Let proper men be employed, clothed with full authority to inspect every risk in their field from top to bottom, and have it done frequently. Let them, if necessary, inspect the books of each local agent, ascertaining the insurance carried by any or every risk in the town, and if any indications of carelessness, over-insurance or fraud are discovered, let the inspector have the requisite authority to have such evils remedied at once or the policies all cancelled. For the inspection of special hazards, I would only employ such men as are experts upon the particular class of risks entrusted to their charge, benefiting by the favorable experience of the mutuals. And for the promulgation of all these surveys and reports, proper arrangements should be made to lay them promptly before all the companies.

In favor of my plan I would advance:

First—Even with the larger companies, having full corps of special agents, the inspection of any one agency can hardly be accomplished oftener than twice a year, while a great majority of the companies get reports much less frequently—some never at all. Under the bureau system proposed, thorough inspection reports can be laid before all the companies at regular intervals, and their attention called to anything wrong, thus giving the smaller companies the benefit of accurate knowledge of their risks such as they never get now, nor can they get it from their office inspectors.

Second—The inspection should be full and impartial, and give the companies not only a clear idea of their own risks, but of all those adjacent and exposing. For instance, should the special agent for company "A" visit a certain agency to look over their business, granting that he is thoroughly competent, and makes a proper report on the risks carried by that company, he does not know and cannot tell the amount of insurance carried by or the moral hazard of the risk adjoining, say in an omnibus block or frame range. True, he can, and doubtless does, ascertain all vital particulars as to his own business, but he has no means of knowing the amount of insurance carried by, financial standing and reputation of the next-door neighbor insured in company "B" in another agency. It would be the duty of the bureau inspector to lay before all the

companies any objectionable features, physical or moral, connected with the risks carried by company "B," as well as company "A." In addition to this, his reports would be strictly impartial. Being connected with no particular company or agency, he would be necessarily free from the bias which so often influences special agents to pass risks because the local agent is a good fellow, and has treated him nicely, or does his company a good business, which he does not wish to prejudice by a too close supervision, or too stringent orders as to cancellations. I think there are but few of us field men who have not, more than once, waived our first impressions under such influences; and I am sure that the office men will sometimes pass a risk, not on its merits, but because the agent is sending in a large volume of premiums and insists on the risk being carried. Some of the larger companies have already, to a limited extent, adopted this plan of independent supervision apart from their regular field force, and I know of one or two of them whose practice is to send an inspector from the home office at intervals to report on the fire departments, water supply, and general physical hazard of their larger agencies, such inspections being made without reference to or consultation with local agents.

Third—For the inspection of special hazards by all means have experts upon such particular lines as will justify it. For flour mills, a flour mill expert; for saw mills, a saw mill expert; for cotton mills, an expert in that line, and so on through the list. That a man of average intelligence, making a specialty of inspecting certain lines of risks, is better qualified to judge of their merits than one who has every variety to inspect, cannot be doubted; and this rule stands good as well to the office as to the field force, for the inspector needs to be unusually gifted who can judge equally well of a flour mill in Minnesota and a phosphate fertilizer works in South Carolina, a saw mill in Michigan or Wisconsin, and a cotton-seed oil mill in Georgia, or a cotton mill in New England, and a sugar mill or cotton gin, or rice mill in Louisiana. Special hazards should be gone through and inspected regularly and often, and reports made on them to all the companies. Especial attention should be given that all the requirements as to lights, oil waste, clear space, etc., are observed by the insured. Only within the last week or two the writer has been on a loss upon a saw and planing mill, where all the policies on lumber contained the 100 feet clear space clause. After the fire occurred it was discovered that the guaranty had been entirely ignored, and lumber piled within forty feet of the mill, and consequently burned, when the extra sixty feet would doubtless have saved it, entailing a loss on the companies of some $20,000. Of course the policies were technically voided, and the companies interested will probably contest the claim on that ground, but the litigation will be tedious and uncertain, and had it not been for a favorable combination of time and wind, a large amount of other property would have burned, and with it all evidence as to the violation of the guaranty. No doubt the local agent knew of this violation; but it is hard, nowadays, to find such a *"rara avis"* as a local agent who will risk the chance of a controversy with a profitable customer, paying large premiums annually, for the sake of saving the company a few thousands of dollars. I do not doubt but that nearly, or all of the saw or planing mills in that town, as well as others, are ignoring their space guaranty, and piling lumber where they please, and the companies carrying their risks are ignorant of the fact. A live, fearless inspector employed by all the companies, and independent of local agents and influences, and of assured alike, would lay such facts before them and have the proper remedy applied at once.

Fourth—The moral influence of such thorough and independent inspection would be inestimable. As I have said before, the idea seems to be growing among insurers that insurance money is the easiest of all to collect, and that they can violate guarantees and conditions of policies with impunity; and this growth of public opinion is not suprising in view of the eagerness with which many adjusters hasten the settlement of losses to gain the prestige of prompt payment for

their companies, and the general lack of backbone on the part of local agents where any big, profitable customer is concerned. This much is the outgrowth of the present reckless competition, and the fault, largely, of the companies. To remedy this state of affairs, the insuring public must be taught that the insurance companies have some rights which the public are bound to respect; and I know of no more forcible way of impressing them with that idea than for the companies to take hold of and perfect some such system of inspection as I have suggested. Sharp, shrewd business men are not slow in learning how much jealousy and discord and reckless forcing of business exist among us, and that they can, as a rule, manipulate local agents *ab libitum*. The local agent is human, and loves his commissions, which are his livelihood. Insurance capital is regarded as a kind of public fund, claims upon which, no matter the character or amount, are legitimate; and I believe the time has come when the companies, like that historical jury of "sporting," men "must stick together," and do away with this state of affairs.

Best System of Rating.

From J. B. Bennett's paper the following extracts are taken:

"Tariffs made by local boards are usually glaringly inconsistent in their lack of uniformity; are often partial and incomplete. They are at fault in their low and unproductive standards, in their oversight of exposures, erroneous in survey and inspection, and little more than a truce or treaty not to further cut rates on the registers until the war breaks out again for another raid and a further tumble in rates.

COST OF EDUCATION AND IGNORANCE.

Have you ever estimated the outlay and expenditures for fire departments, firemen, apparatus, and water supply? Does it pay, and is it not absolutely demanded, in view of the style of architecture and the way trade is now conducted in the United States? Before scale diagraming was adopted by the companies, a single company paid $100,000 for their manuscript diagrams, in labor and travel, from 1853 to 1863, and the profit for such acquired knowledge was over $3,000,000. Does it pay to invest money productively and follow it up with intelligent labor? Possibly some companies would not have spent $100 that way.

We are now to consider a system, not a plan, but the broader subject of an entire system. As independent, or free and easy practice, is no system at all, unless it might be termed "go as you please" system, it is unnecessary to consider any heterogenous plans in vogue prior to that of the National Board System.

NATIONAL BOARD SYSTEM.

The system of the National Board was a conglomerate one. It was valuable chiefly from the unusual events and circumstances that brought it into life and gave it power—the big war, the expansion of the greenback era, with those great fires at Chicago and Boston. It was only rooted in one city of this extensive country, and, like a great army without corps, division or command, lacked mobility, elasticity and good deployment to the best result. It was pushed in alarm and haste, with no drill or preparation, and great inequality of force or movement, being much too strong and sweeping at some points, and too slight and slow at others, while constantly nourishing the parasite of non-boardism to sap its vitality. This system, with its good intentions and performing much that was highly commendable, cannot possibly be classed as possessing the best system of rating, for it was one of special emergency and not of endurance.

The schedule plan can be readily applied to any system, and is chiefly good because it enforces particular attention to specific points in surveying. The steps or process of schedules are often strangely out of line and oddly peculiar in some respect and while aggregate results are fair to good, we close our eyes to its freaks by not being too particular of the means to the end, for practice, time and just criticism will winnow the chaff from the good grain.

UNION SYSTEM.

The union system surrenders an important prerogative of the companies over to the local agents, when it passes the whole matter of rating to local boards in mass, or

grants them the veto power to nullify the work and rates made by committees of the field force, or other experienced and impartial parties. This is placing the pyramid on its apex, and cannot fail of disaster in the end if carried out in good faith. There is too much jealousy and strife in local boards; too much rough and careless work; too much pulling and hauling; too much inattention to any rules or base; too much neglect of surveying; too many axes to grind; too much of favoritism and too little concern as to consequences of profit and loss, for the mass of local agents to exercise such prerogative, which should always remain with the companies. In adjustment of losses or in litigation, the matter is not left to an interested party to settle. The agents are solely in the commission business, with a strong bias favoring their customers. If the companies waive their rights it certainly would be advisable to turn the same over to some competent impartial body or person who would be professional and just in the service submitted under all circumstances, otherwise this surrender becomes one of the most glaring errors ever introduced into the rating of any system.

THE THREE PIGS.

This present union arrangement reminds one forcibly of the man driving three pigs to market, tied by the legs with a loose rope, crossing a labyrinth of railroad tracks, each pig twenty feet apart fiercely tugging in an opposite direction to escape. Possibly a red signal and by swinging the circle and outflanking the pigs till the man is dizzy and the pigs tired out, and getting a cart to carry the pigs to market, some headway may ultimately be made if the S. P. C. A. keeps still—don't confiscate the property and swindle the owner on this live stock—ant whether the man wants to get rid of the pigs or the pigs want to get rid of the man, or the boy in the cart wants to get rid of the squealing, or the town of the noise, this is altogether one of the very worst schemes ever devised in the insurance or the pork trade for progress or profit.

THE SPECIALIST'S RULING.

The best system of rating must be done by the specialist, strongly supported by the companies, and well done before it succeeds. Rating will make little headway until professional men are educated, enlisted and engrossed in it as a separate arm of the service, as cavalry, artillery, infantry or engineering in the army are. It must be made a special duty. Then will come progress, development and evolution out of the practice. Competent men giving sole attention to the duty will not be content to perform it mechanically. They will profoundly study with clear brain its intricacies not only by the midday sun but in the closet with midnight oil, and out of this joint labor will come progress and safety to fire underwriting.

The best system will parallel burning lines. Unless rating is based and sustained by this dominant factor of fire, it will never long remain steady, but soon strangely fluctuate and become unsettled as if instinct with life to find a true base and support. If rates are much too high or made too low, they soon waver up and down like tidal waves to find their ocean level. This is a remarkable truth, as fixed and steady as the tides. The mind of an intelligent people somehow or other, instinctively learn this by some mysterious process as remarkable as the habits of the silk worm which prepares material to elegantly clothe the ladies of the land.

CHARACTER AND VALUES.

Another valuable feature of the best system will be a classification of the character and care of the insured and tenants as inferior buildings with superior care are preferable to the best building carelessly attended to. Gross carelessness now destroys one-fourth of the property consumed by fire, and risks are effected in like degrees. This classification and grade of persons is fully as important as the class of buildings. Also the value of the property will become a matter of closer attention, and these calculations and facts will be critically stated in the survey.

Where the rating is just and equal, prohibited list may with propriety be dispensed with. When the hazard is rightly ascertained, graded and equalized there is no propriety in rejecting any entire class of risks.

The rates being equivalent to the risk, expense and profit all are alike. Prohibited lists occur when rates are proved to be unequal and wholly inadequate to the danger, or because of inexperience, prejudice or misapprehension. When the hazard of one class of risks is say one-fifth, one-tenth, one-twentieth or one-fortieth, that of another hazard, all other facts being equal, the risks stand on the same platform of desirability.

THE ABSTRUSE AND PRACTICAL.

Not to pursue this subject too abstrusely, yet some mode and principle to include the exact fire line will ultimately come into successful practice to shape and control exact fire rating similar to that used in trade and chemistry for proof spirits or specific gravity—as an example proof spirit are by measure—alcohol 100 part, water 81.82 parts; by weight, alcohol 100 parts, water 103.09 parts.

Now no matter what alcohol or what water is united—the hydrometer and the thermometer indicate by the mathematical tables adopted always their exact proportion, above or below proof. We can secure $100,000,000 of premiums to classify, and put the material in competent charge to ascertain the true average burning line on 200 or more classes of risks. This in charge of a scientific bureau of mathematical men can give the true burning lines to the companies for adoption, and business application for raters to work with. By example say certain classes burn .35, .47, .97, 1.05 per cent. per annum. This with average expenses, and 15 per cent. contingent added, would give .70, 94, 1.04 and 2.10 per cent., and afford true data for the practical rater to work on—as a measuring tool for his daily task to formulate the tariff. The application of classified average tables of itself becomes the subject of no little study and scientific arrangement. This example only hints at the theory of great underlying facts and principles before us for some practical attainment, and leads to another important step.

Graham & Lewis, of Cleburne, Texas, have gone out of the insurance business.

Fictitious Capital of the Universal Accident Indemnity Company of San Francisco—A Scheme of Adventurers—Revelations of the Assessment Roll.

The Universal Accident Indemnity Company of San Francisco having succeeded in raising, or borrowing as a call loan—"by hook or by crook"—the sum of $25,000, the first installment required by law, the managers presented bank-book evidence of that fact to the Insurance Commissioner, and were duly licensed to begin business. Without stopping to criticise the action of the Commissioner, we will undertake to show that the licensing of the Universal Accident Indemnity Company is not a particle of evidence of its solvency.

The capital stock of this alleged accident insurance company is $100,000, as required by the California statute. It must be paid within one year in quarterly installments of $25,000. The stock of the company is divided in 10,000 shares of $10 each. The stockholders and amount subscribed by each are as follows:

Subscribers.	Shares.	Amt.
Charles Graham, San Francisco..	3,215	$32,150
James M. Stuart, Oakland.....	3,215	32,150
E. D. Wheeler, San Francisco.....	200	2,000
A. K. Eddowes, "	250	2,500
Louis D. Blondin, "	100	1,000
Clement Brake, "	20	200
Charles H. Wheeler, "	3,000	30,000
	10,000	$100,000

An inspection of the San Francisco assessment rolls discloses the fact that not a single stockholder pays taxes on real estate, and only two pay taxes on personal property. These two are assessed for $2,225 worth of personal property. Where did these men raise $25,000? Let us see if we cannot rightly conjecture.

Messrs. Wheeler, Stuart and Graham visited the Insurance Commissioner several times, and vainly endeavored to persuade him to accept their personal obligations in lieu of the coin. They wanted to start the company without any cash capital. Then they tried to borrow the money for a few days. Mr. Wheeler, the Treasurer, endeavored to negotiate such a loan. One

San Francisco capitalist was unsuccessfully approached on the subject, and was offered a liberal bonus for the use of $15,000 for a few days. That sum was to be deposited in a bank to the credit of the Universal Accident Indemnity Co., under strict pledges that no checks should be drawn against it. It looks very much as though the money had been obtained somewhere on those terms.

We reluctantly publish some facts reflecting on the personal character of several of the stockholders and managers, but as these facts have an important bearing on the question of the solvency of the company, the publication of such information is plainly a duty.

Charles Graham was formerly a life insurance solicitor, a vocation in which men do not often accumulate enough money to pay for 3,215 shares of stock at $10 per share. Mr. Graham has not that amount of money, nor will he be able to raise it when required by the Insurance Commissioner. A representative of the COAST REVIEW called upon the landlady of the Cleary House, at 22 Geary street, in pursuit of information as regards the financial standing of Mr. Graham. The landlady promptly replied that she had sorrowful knowledge of the gentleman's resources and character to the amount of a $55 claim for room rent. He had departed without ceremony but with his trunk, unfortunately, and without notifying his landlady. It is not necessary to repeat her tersely expressed opinion of her delinquent roomer.

James M. Stuart, who has subscribed for $32,150 worth of stock, was also, until recently, a life insurance solicitor. As stated in the September COAST REVIEW, Mr. Stuart has a bad record. He has been in jail, and is wanted in Rhode Island for swindling a woman out of $1,500. For further information as to Mr. Stuart's ability to pay for 3,215 shares in the Accident Indemnity Company, a COAST REVIEW representative called on Mrs. Antonio Davis, at 1402½ Powell street, who was reported to have dealings with the gentleman. Mrs. Davis, who is a widow, states that several months ago, just after the policy on her husband's life had been paid, Stuart, who knew of the circumstance, called upon her and solicited a loan of $100 for a few days only. He won her confidence by his plausible misrepresentations, and secured the loan on the promise of a large bonus for its use for a short time. He did not return the money as agreed. Mrs. Davis dunned and dunned him without avail, and finally put the claim in the hands of a collector, who succeeded in getting all or a portion of the money only after the accident company had been started—on or about September 26. Mrs. Davis never recovered all of the principal, and received none of the promised interest. Is the reader ready to believe that Stuart has paid his share of the first payment of the capital stock—$8,037.50? If he pays taxes anywhere, we should be glad to announce it.

A. K. Eddowes is the chief engineer of the steamer *Colima*. We are informed of the existence of a note of less than $100 signed by him and pronounced uncollectible.

Charles H. Wheeler is the manager of some sort of an electric company.

Louis D. Blondin is a dry goods salesman.

The name of Clement Brake, who took $200 worth of stock, does not appear in the city directory. Perhaps he is not old enough.

We submit that we have redeemed our promise. We have clearly shown that in this instance the licensing of the Universal Accident Indemnity Co. carries with it no indorsement of the solvency of the company. The Insurance Commissioner has been imposed upon by false representations, or did not duly "examine and inspect the financial condition" of the stockholders, nor assure himself that they were in a "solvent condition," as the law requires.

The Universal Accident Indemnity Company is not entitled to the confidence of the public. Its capital is evidently a fiction, and its chief promoters are adventurers.

The Superior Court of Cincinnati has decided that the widow is the beneficiary of a policy of insurance in a mutual association, upon the life of her husband, payable to "his heirs," when he leaves brothers and sisters, but no children.

The Atlas Assurance Company.

As our readers are aware, this old London fire insurance company recently entered California, and appointed Messrs. Newhall & Co. their general agents for the Pacific Coast. The Atlas has a long and honorable record, dating back to 1808, when the company was organized. At home the Atlas transacts a life, fire and accident business, and the combined assets of the three departments form the Atlantean sum of $9,240,849, which is certainly capable of sustaining a world-wide business.

Eliminating the life figures from the resources of the company, we find that the fire assets on January 1st of the present year were $1,616,671, while the net surplus was the handsome sum of $552,647. The fire premium receipts last year were $528,560. The paid-up capital is $720,000. For full particulars of the condition and affairs of the company the reader is referred to the statement appearing elsewhere in this month's COAST REVIEW.

Foreign Notes.

The late Bishop of London had his life insured for over $200,000.

The death rate of Auckland and other New Zealand cities is under thirteen per thousand.

In Great Britain the general government pays everywhere one-half the cost of the clothing of the police and one-half their wages and salaries, but derives all the revenue from licenses.

The most expensive English fire department is that of Manchester, which costs 11 cents per inhabitant. The most costly American fire department is that of New York, which costs $1.22 per inhabitant. The difference is due to salaries, climate and building material.

The statute law of New Zealand gives a coroner the power to hold an inquiry touching the origin of a fire, but the value of such inquest has never been demonstrated. The fault probably lies with the official.

The recent explosion of generated gas in the coal bunkers of the English war vessel *Inflexible*, will probably lead to the court-martial of several of the officers. The *Inflexible* seems to be unfortunate, for a similar explosion took place on her cruise in the Mediterranean. In the recent case it might have been avoided by proper ventilation. When the bunker doors were opened the men went in with naked lights, which, coming in contact with the accumulated gas, caused the explosion. Immediately after a serious calamity of this kind four years ago, stringent regulations as to ventilation and the use of naked lights were issued. They seem, however, to have been ignored on the *Inflexible*. Anyway, they were not inflexible.

A Strong Contrast Between Two Records.

In marked contrast to the repudiation of their obligations by the late Order of Mutual Companions of this State is the record of the California Mutual Life Insurance Co. When the latter company discontinued business in 1872, it made at considerable expense to its stockholders what was supposed to be ample provision for the discharge at maturity of all its contracts. There was no repudiation of contracts of life insurance, as in the case of the Order of Mutual Companions. The members of the company were not advised to join some company "free from debt." The provision proving inadequate, the claims were paid as fast as they matured, by the stockholders of the California Mutual Life. During the past few months these gentlemen have paid over $17,000 in liquidation of these claims, though twelve years have elapsed since the disorganization of the company. So much must be put down to the credit of legitimate life insurance and the laws of California.

The action of the members of the Order of Mutual Companions was unfraternal, cowardly and dishonest. They repudiated the most solemn obligations. They ran pell-mell out of the society when they learned that there was a deficit of $14,000. Not a voice was heard counseling courage and honesty. No manly sympathy with the unfortunate families of fellow members prompted any effort to relieve their distress even by a col-

lection for their benefit. How much per member do you suppose, reader, would have paid the deficit and made the order square with the world? Twenty dollars? No. More? No; less. An assessment of only $8 per member would have more than paid every claim, and left the order free to honorably disorganize. It is a slender reed indeed that a man depends upon when he puts his trust in assessment insurance.

A Warning Note.

A new element in the fire hazard of our great American cities is steadily forming. Red Socialism is its source, and the trend of recent events promises to bring this new element prominently to the fore in the near future. Socialism assumes many varieties, from the theories of cultured philosophers to the vagaries of the slums, but its universal influence is to undermine respect for law, and make any change welcome, and any means justifiable. The dissatisfaction with social conditions grows stronger as the iron hand of want presses more heavily on struggling humanity. Some day the million mob will grow desperately weary of the struggle for existence, and in sovereign despair will blindly endeavor to avenge if not correct their wrongs—with fire. What were the Oincinnati riot and fires but an expression of that reckless Socialism which hates civilization and would destroy the present order of society in the belief that no re-adjustment of social conditions could be worse. Meetings of Socialists are held nightly in all our large cities, and the most subversive teachings and rabid utterances of rancorous hate of law and order are greeted with enthusiastic applause. The times are not yet ripe for the execution of the criminal designs of the lawless leaders of these foreign Socialists, but when all the Government lands of the country are occupied or held by speculators, when the poor landseeker can no longer get a home for nothing, then the pressure on the means of subsistence in the United States will be as great as in Europe, and the Socialist will be ready to inaugurate his work of blazing destruction. Our American cities are not built to resist the work of such organized incendiaries. Our buildings are not built so solidly of brick and stone as those of European cities, where even the partitions are of brick or filled with fire-resisting materials.

FIRES.

The Imperial, London, Northern & Queen were erroneously credited with a loss of only $1,493 by the burning of the San Bernardino quartz mill. It should have been $14,930.

The monthly fire losses as printed in this journal form an interesting and valuable feature. Complaint is made that some of the offices do not report all their losses every month, when the COAST REVIEW man makes his rounds. Possibly some losses are occasionally omitted, but we are positive that such omission is not to be imputed to a want of good faith on the part of any office. When losses are not reported at all, which seldom happens, or are incorrectly reported, the fault may be depended upon as purely clerical, either of the clerk in the office, or of the COAST REVIEW transcriber.

The best evidence of the good faith exhibited by all the offices in reporting losses to the COAST REVIEW, and it is evidence that should be amply satisfactory to every one, is the strict correspondence of the aggregates with the official reports. The fire losses reported to the COAST REVIEW during 1884 were in the aggregate only $75,000 less than the total losses according to the official reports. This sum represents the unreported losses of less than $100, and is only four per cent. of the total loss. Taking the COAST REVIEW loss reports as the basis for our calculations, we estimated in the January number (page 42) that the average loss ratio on the Pacific Coast business for 1884 would be 38 per cent. The actual per cent. of loss was 37.2. That was very close figuring, and we never could have approached the actual result so closely if the monthly loss reports to the COAST REVIEW were not all made in perfectly good faith.

Losses for the first of the current month are sometimes credited to the last of the preceding month on a loss register, and such losses the clerk, naturally, fails to re-

port. The impression that there is any want of faith in making these reports doubtless grows out of the confusion of dates and the variety of names given to the property burned. One office reports a warehouse on the 7th, another a hay-barn on the 5th, another reports a barn or building on the 9th. The three reports refer to one fire, and should appear together; but in preparing them for the press, the transcriber, looking at the separate dates and different descriptions of property, supposes of course that there were three distinct fires. They are therefore separated. Reading this report, one office finds that another office or two report no loss on that warehouse, and thereupon there is a charge of bad faith. The illustration we have cited is but a sample of many similar cases growing out of incorrect dates and imperfect descriptions of property burned.

Losses, also, that should be included with those credited to a "general fire" are sometimes printed separately, owing to their being reported with a wrong date and as a single fire. Not appearing with the others under the head of a general fire, though appearing elsewhere, their absence is noticed, and the result is a groundless charge of bad faith.

NINE MONTHS' LOSSES FOR FOUR YEARS.

	1885	1884	1883	1882
January....	$155,818	$146,281	$276,553	$122,815
February...	131,626	211,911	119,008	53,147
March.....	159,551	106,975	122,838	94,563
April.....	136,542	175,104	51,665	129,781
May	192,321	129,797	145,579	541,871
June.....	238,681	144,851	141,927	175,691
July.....	225,180	190,007	431,565	422,491
August.....	196,292	417,388	344,055	303,051
September..	201,126	309,303	169,502	258,108
Total...	$1,627,137	$1,831,617	$1,802,692	$2,102,543

August 18, Helena, M. T., merchandise:
South British & National..... $1,000

August 30, near San Mateo, Cal., dwelling:
Imperial, London, Northern & Queen.....$157

September 11, Yuba Co., Cal, barn:
Phenix, Brooklyn.....$400

September 14, Plymouth, Cal., frame building and variety store:
Niagara..... $100
American Central..... 446
Connecticut..... 936

September 15, San Francisco, hay and feed store:
Hamburg-Bremen $750
Germania..... 750

September 15, San Francisco, stable:
North German.....$823

September 21, Shasta Co., Cal., barn, etc.:
Phenix, Brooklyn.....$1,743

September 21, Sacramento county, Cal., building and contents:
State Investment.....$500

September 20, Haywards, Cal., barn and contents:
Hartford.....$250

September 12, Tucson, A. T., dwelling and furniture:
Home & Phœnix.....$100

September 3, Salt Lake, Utah, boarding house:
Home Mutual.....$1,100

September 3, La Porte, Cal., frame building:
North German.....$490

September 20, Selma, Cal., frame store and general merchandise:
North British & Mercantile.....$1,500
Howard 1,500
Bowery..... 1,500
German-American..... 1,000
North German..... 1,490
Firemans Fund 1,500
Providence, Washington..... 750
National, N. Y..... 750

September 2, Sutter county, Cal., frame dwelling and contents:
Liverpool & London & Globe.....$101

September 19, Los Angeles, Cal., frame dwelling:
Liverpool & London & Globe.....$430

September 5, Linden Cal., dwelling and contents:
Hartford.....$400

September 5, Portland, Oregon, merchandise in brick:
Hartford.....$228
Guardian..... 154

September 20, Sacramento, Cal., barn:
American, N. J.....$300

September 16, Oakland, Cal., car stable:
Home Mutual.....$2,380
State Investment..... 811
New Zealand..... 506
Traders 596
Oakland Home..... 894

September 5, Portland, Oregon, brick building and plate glass:
Liverpool & London & Globe.....$129

September 11, near San Jose, Cal., dwelling and contents:
Royal, Norwich Union & Lancashire.....$2,700

September 27, Oakland, Cal., pavilion building and merchandise:
Connecticut.....$1,392
Firemans Fund..... 750

September 28, Stockton, Cal., frame building:
German-American.....$845

September 5, San Jose, Cal., household furniture:
Washington.....$150

September 4, Wasco county, Or., dwelling:
Home & Phœnix.....$1,480

September 12, Tyler Island, Cal., building:
North German.....$500

September 10, Tehama county, Cal., hay press in field:
Liverpool & London & Globe.....$300

September 14, Berkeley, Cal., frame saloon building:
Phenix, Brooklyn.....$2,284
American..... 416
London & Lancashire..... 313
Manchester..... 813

September 21, San Francisco, stable:
North German.....$400

September 1, Tacoma, W. T., frame dwelling:
Phenix, Brooklyn.....$200

September 18, Woodland, Cal., dwelling:
Home Mutual.....$3,050
Western, S. F..... 1,846

September 24, San Francisco, Cal., building:
New Zealand.....$200

September 5, Knights Landing, Cal., hay:
Manchester.....$400

September 28, Arbuckle, Cal., frame dwelling:
Lion.....$500

September 1, Santa Rosa, Cal., frame dwelling:
Hartford.....$517

September 2, San Francisco, dwelling:
Union, S. F.....$180

September 2, San Francisco, Cal., dwelling:
Ætna.....$100

September 21, Tucson, A., T. general merchandise:
Imperial, London, Northern & Queen.....$1,500
Manchester..... 1,500

September 2, San Francisco, general fire:
Concordia.....$1,000
Svea..... 3,500
Hamburg-Magdeburg..... 3,348
Springfield..... 500
Germania..... 1,832
North American..... 250
Ætna..... 1,000
Hartford..... 1,720
State Investment..... 6,880
North British & Mercantile..... 2,350
Home & Phœnix..... 1,100
Guardian..... 186
Imperial, London, Northern & Queen..... 1,825
Royal, Norwich Union & Lancashire..... 350
Firemans Fund..... 200
Westchester..... 200
Commercial Union..... 960
New Zealand..... 520
Commercial..... 1,700
Western, S. F..... 2,425
New Orleans..... 2,250
Fire Ins. Ass'n, London..... 2,000
Citizens..... 100
Teutonia..... 1,000
United Fire..... 1,100
Agricultural..... 1,800

September 22, Oakland, Cal., frame dwelling:
Liverpool, London & Globe.....$315

September 1, Nevada City, Cal., household furniture:
Phenix, Brooklyn.....$781

September 18, Oakland, Cal., bakery:
American Central.....$463

September 18, Oakland, Cal., brick and frame building:
Oakland Home.....$185

September 16, You Bet, Cal., saw mill:
Hamburg-Bremen.....$1,219
Connecticut..... 1,219
Royal, Norwich Union & Lancashire..... 1,100
Howard..... 680
Bowery..... 680

September 7, The Dalles, W. T., household furniture:
Commercial Union.....$500

September 30, Los Angeles, Cal., stock in frame building:
Home Mutual.....$800

September 6, Fresno, Cal., general fire:

Commercial Union	$ 890
South British & National	1,084
Continental	471

September 30, San Rafael, Cal., frame dwelling:

Home & Phœnix	$2,800
Oakland Home	

September 12, Santa Rosa, Cal., general fire:

Commercial	$250
Phœnix, London	700
Manufacturers	750
Phenix, Brooklyn	1,750
Home & Phœnix	528
Home Mutual	2,800
Firemans Fund	1,190
Union, S. F.	200

September 14, Santa Rosa, Cal., stock of guns and pistols:

Oakland Home	$400
Western, S. F.	325

September 11, Oakland, Cal., frame dwelling:

Home & Phœnix,	$380

September 27, near Fresno, Cal., frame dwelling:

Ætna	$582

September 30, Benicia, Cal., frame boarding house:

Hamburg-Magdeburg	$600

September 8, Nevada county, Cal., frame dwelling:

Liverpool & London & Globe	$1,000

September 4, Sacramento, Cal., frame barn and hops:

Firemans Fund	$757
Providence-Washington	378
National, N. Y.	757

September 28, Portland, Or., hotel:

Connecticut	$335
Security	335

September 7, Ogden, Utah, dwelling and furniture:

Union, S. F.	$430

September 4, Madeira, Cal., frame barn and contents:

Firemans Fund	$729

September 27, Stockton, Cal., frame barn:

Hamburg-Magdeburg	$250

September 15, San Francisco, grocery:

Allemannia	$150
New Orleans	150
Fire Ins. Ass'n, London	150
Citizens	550

September 24, Portland, Or., Chinese store:

Hamburg-Magdeburg	$701
Imperial, London, Northern & Queen	233

September 27, Shasta county, Cal., frame dwelling:

German-American	$3,500

September 10, Fresno, Cal., winery and distillery:

Merchants', N. J.	$1,432
Union, Philadelphia	1,432
Springfield	2,386
Hamburg-Magdeburg	2,500
Shoe & Leather	2,000
North British & Mercantile	7,500
German-American	7,500
London & Lancashire	3,750
Manchester	3,750
Bowery	2,000
Howard	2,000

September 1, Fresno, Cal., frame dwelling:

Phenix, Brooklyn	$1,000

September 7, Fresno, Cal., general fire:

Ætna	$2,664
American, Phiadelphia	320
North American	471
Phœnix, London	980
Niagara and Pacific	146
Orient	500
Washington	2,800
Home & Phœnix	1,660

September 29, Portland, Or., saloon:

Royal, Norwich Union & Home	$450
London & Lancashire	400

September 3, Stanislaus county, Cal., general merchandise:

Home Mutual	$1,500

September 23, Stanislaus county, Cal., barn and contents:

Oakland Home	$119

September 12, Eureka, Nev., lodging house and furniture:

Western, Toronto	$285

September 22, Santa Cruz county, Cal., cordwood:

Liverpool, London & Globe	$1,588

September 24, Marin county, Cal., dwelling and furniture:

Home & Phœnix	$900

September 26, San Luis Obispo county, Cal., barns:

Phenix, Brooklyn	$500

September 1, Woodland, Cal., frame dwelling and household furniture:

Agriculture	$1,763
Ætna	1,136

September 4, Walla Walla, W. T., household furniture:

Lion.....$325

September 31, Walla Walla, W. T. merchandise and dwelling:

Commercial.....$1.841

September 30, San Francisco, hotel:

Home & Phœnix.....$500

September 20, Walla Walla, W. T., soda works:

Liverpool & London & Globe.....$1,085

September 1, Red Bluff, Cal., general fire:

Phenix, Brooklyn	$1,710
Commercial Union	1,249
Liverpool & London & Globe	1,700
Home & Phœnix	800
Western, S. F	100
Fire Insurance Association of London	150
California	1,290
Union, N. Z	1,290

September 20, Red Bluff, Cal., honsehold furniture:

Western, Toronto.....$425

September 27, Red Bluff, Cal., warehouse and dwelling:

North British & Mercantile	$2,900
Royal, Norwich Union & Lancashire	200

September 19, Vancouver, W. T., building:

South British & National.....$831

September 28, Portland, Or., frame building:

Commercial.....$1,000

September 16, Red Bluff, Cal., boarding house:

Fire Insurance Association of London.....$1,150

September 5, San Diego, Cal., dwelling:

Western, S. F.....$500

September 1, Eureka, Nev., saloon:

Bowery.....$1,000

September 16, Merced county, Cal., frame blacksmith shop:

Commercial.....$600

September 4, Los Angeles, Cal., hop barn:

Howard.....$500

August 19, Steamer *Wildwood*, at Seattle, W. T.:

Commercial.....$2,000

Grand total.....$201,126

A Bangor, Maine, incendiary has been sentenced to prison for life.

A $500,000 Blaze in San Francisco.

This morning (October 8th) at 2 o'clock fire was discovered in the building occupied by H. S. Crocker & Co., stationers and printers, at 215, 217 and 219 Bush street, between Sansome and Montgomery. The flames soon gained such headway that the fire department was unable to extinguish them before the building was a mass of ruins. Two firemen were killed.

The building destroyed had a frontage of 75 feet and a depth of 125 feet, and was five stories in height. Nothing is yet known of the origin of the fire, but it is certain that the fire had many hours the start of the firemen. The floors were all hot when the alarm was turned in. Extreme difficulty was experienced in locating the flames.

The building, which was valued at $60,000, and owned by Charles Crocker, was uninsured. Messrs. Crocker & Co. state that their loss is $460,000. The insurance is $203,000. The loss will be total. The merchandise in the adjoining buildings was damaged by water and smoke. The loss is variously estimated at from $25,000 up, and is fully insured.

The total property loss is probably between $500,000 and $600,000. The insurance loss may be roughly estimated at something less than $300,000.

THE CROCKER & CO. LOSS.

The insurance on Messrs. Crocker & Co.'s stock of books, stationery, presses, type, lithographing materials, paper, etc., was distributed as follows:

Liverpool & London & Globe	$14,000
Imperial, London, Northern & Queen	10,000
Union, N. Z	10,000
California	10,000
Union, S. F	10,000
Commercial Union	10,000
Royal, Norwich Union & Lancashire	13,000
Home & Phœnix	10,000
North British & Mercantile	5,000
German-American	5,000
State Investment	5,000
Prussian National	5,000
Hartford	5,000
Sun	5,000
Hamburg-Magdeburg	5,000
Commercial	5,000
Fire Association, Philadelphia	5,000

Williamsburg City	2,500
Franklin	2,500
New Zealand	5,000
Firemans Fund	4,000
Helvetia	5,000
Bowery	5,000
Transatlantic	5,000
Scottish Union	4,000
Niagara	2,500
National, Ireland	2,500
National, N. Y.	3,000
South British & National	2,500
Merchants, N. J	2,500
Reassurance, N. Y	2,500
Manchester	5,000
London & Lancashire	5,000
American, Philadelphia	1,000
Phœnix, London	2,500
British America	2,500
Western, Toronto	2,500
Unreported loss	4,000
Total	$203,000

The losses on Davis Bros., Toklas & Co., and Hecht Bros. & Co. are nominal. The losses on Friedländer & Koch, Greenebaum, Weil & Michels, and Schweitzer, Sachs & Co., are considerable, but at present writing no approximately correct estimates can be made. These firms occupy adjoining buildings. Shreve & Co., manufacturing jewelers, occupied the Crocker building.

Following is a list of insurance on merchandise of the firms above named:

GEO. C. SHREVE & CO. —INSURANCE.

Imperial, London, Northern & Queen	$5,000
London & Lancashire	4,000
Liverpool & London & Globe	4,000
North British & Mercantile	2,000
Springfield	3,000
Total	$.18,000

SCHWEITZER, SACHS & CO.—INSURANCE.

Firemans Fund	$9,000
National of Ireland	5,000
Liverpool & London & Globe	12,500
London & Lancashire	10,000
Royal, Norwich Union & Lancashire	15,000
Hamburg-Magdeburg	5,000
North British & Mercantile	10,000
Germania	5,000
Imperial, London, Northern & Queen	35,000
Helvetia	15,000
Guardian	15,000
Commercial Union	15,000
Hartford	5,000
Ætna	10,000
British America	5,000
Underwriters	5,000
Hamburg-Bremen	10,000
Western, Toronto	5,000
Phœnix, Brooklyn	5,000
City of N. Y	5,000
American Central	5,000
Springfield	5,000
Phœnix, London	5,000
Union, N. Z	5,000
Scottish Union	10,000
New Zealand	5,000
North German	5,000
Insurance Company of North America	10,000
National of Hartford	5,000
Pennsylvania	5,000
Total	$261,500

GREENEBAUM, WEIL & MICHELS.—INSURANCE.

Continental	$ 5,000
American, N. J	5,000
Springfield	5,000
Phœnix, London	10,000
Royal, Norwich Union & Lancashire	25,000
British America	5,000
Scottish Union	10,000
National, Hartford	5,000
Manchester	7,500
Caledonian	5,000
London & Lancashire	10,000
Imperial, London, Northern & Queen	20,000
Guardian	10,000
German American	5,000
Merchants', N. J	5,000
North British & Mercantile	10,000
Union, New Zealand	2,500
South British & National	2,500
North America	5,000
Hamburg-Bremen	5,000
Helvetia	10,000
Total	$167,500

FRIEDLANDER & KOCH—INSURANCE.

Scottish Union	$ 5,000
North British & Mercantile	10,000
Continental	5,000
American, N. J	5,000
Fire Insurance Association, London	5,000
Commercial Union	10,000
Germania	5,000
Hamburg-Magdeburg	5,000
British America	5,000
Imperial, London, Northern & Queen	15,000
London & Lancashire	5,000
Royal, Norwich Union & Lancashire	2,000
Total	$77,000

CHIPS.

—Bruce B. Lee, of Red Bluff, shed the light of his radiant countenance in the COAST REVIEW sanctum on the 7th.

—Merced, Cal., has had three large fires within three months. Two or all of these fires were of incendiary origin.

—Cornelius Walford, a famous English underwriter and the author of "The Insurance Cyclopedia," is dead.

—There was a young merchant in tea, who said, "No insurance for me; I'll take care of my cash, lest the companies smash." Now his widow makes shirts—do you see? —*Exchange.*

—Much of our space this month is devoted to copious extracts from the papers read at the recent meeting of the Fire Underwriters' Association of the Northwest. Our readers include so many who take no other insurance journal that a failure to present the salient features of those papers would be unfair.

—Helloffite, a new Russian explosive, is a solution of nitrated organic combination (naphthatine, phenol, benzine, etc.), in fuming nitric acid, igniting with fulminate of mercury. It acts more powerfully than nitro-glycerine. It may be stored and transported with perfect safety as regards concussion, for it cannot be exploded by a blow, a shock, or an open flame. It is liquid, and can be stored only in perfectly closed vessels, and consequently cannot be employed under ground.

—The Odd Fellows Mutual Aid Society of San Francisco, after an existence of almost seventeen years, found their death rate growing too high, and "the prospects for an increase in membership in the future not particularly flattering." After considerable discussion it was resolved to discontinue the organization by merging it in the Covenant Mutual Benefit Association of Illinois, a younger society with a lower rate of mortality. As the members of the San Francisco society were accepted by the Illinois society without medical examination, bad reports may speedily be expected as the result of an experiment which has invariably proved disastrous. The cost for $681.76 insurance in the Odd Fellows Mutual Aid Association for 1884 varied according to age from $9.65 at age 21, to $24.85 at age 50. No wonder the members wanted to shoulder a portion of their burden on the "new blood" of a younger society.

—An eight year old boy is under arrest in Denver for arson.

—The Connecticut Insurance Commissioner has applied for the appointment of a receiver for the Charter Oak Life Insurance Company.

—The question of interest, expense, and the laws of mortality, regulate and fix the amount of premium charged. In practice all the profits realized by the companies are returned to the insured as dividends or return premiums; hence it will be seen that the average of human life remains as at present, and the rates of interest are not materially increased, the expenses of the companies now being as low as the proper conduct of the business will permit, there is *no possible way* in which life insurance, with all that the term implies, can be furnished at more favorable rates than is now done by the life insurance companies; and none of the existing schemes claiming to furnish life insurance upon better terms or at a less cost, can in the nature of things be successful. They seem to do well for a time, but in life insurance, of all things, what is demanded is permanence.—*Geo. Moore.*

—One evil that underwriters have to deal with is the cupidity of officials whose duty it is to bring incendiaries to punishment. These officials are the paid servants of justice, and it is required of them that they use all reasonable efforts to discover and convict incendiaries. They have no right to demand, receive or expect any reward at the hands of underwriters, yet it is a shameful fact that such officials, as a rule, will take no steps toward the conviction of incendiaries, or will covertly delay proceedings, until their itching palms are covered with a bribe in the shape of a reward. The reward offered by underwriters is solely for the purpose of stimulating detectives and other private citizens, and it was never the design that any portion of it should be paid to men who are already in receipt of salaries for the performance of such duties. If the reward should be withheld from them and paid only to those who deserve it, and whose services cannot be expected otherwise, we imagine that the evil would soon correct itself, and justice would not suffer a whit.

—A. C. Donnell & Co. have been appointed General Agents for the Westchester Fire Insurance Company of New York.

—Incendiary fires are increasing in California. Dr. Vigilant should apply a dose of hemp.

—Henry Dobinson, lately of Portland, Or., is now a resident of Oakland, where he represents Messrs. Smith, Snow & Moody's agency.

—A new compact district has been decided upon by the Pacific Insurance Union, comprising Utah, Idaho and Montana, with headquarters at Salt Lake City or Ogden.

—The public-spirited citizens of Santa Rosa, Cal., are rejoicing over the destruction by a recent fire of a lot of frame rookeries, which will be replaced by bricks. The insurance companies are public benefactors.

—At the present writing, Messrs. Pope, Hubbard and Faymonville have been selected as adjusters of the Schweitzer, Sachs & Co. loss. Messrs. Gurrey, Chalmers and H. M. Grant will adjust the Greenebaum, Weil & Michels loss.

—Harry W. Syz and the London and Provincial, the Helvetia Swiss and the Swiss Marine may now be found at 410 California, the office having been removed from the old quarters.

—Thomas Bennett, General Superintendent of the Pacific Mutual Life and Accident Insurance Company, recently visited Texas, Colorado and other Western States and Territories, and established numerous agencies.

—Thomas Bennett, manager of the accident department of the Pacific Mutual Life Insurance Company, has been made general superintendent of both life and accident departments. Mr. Bennett is eminently well qualified to discharge the duties of his new position.

—Robert Dickson, Pacific Coast manager of the Imperial, London, Northern and Queen, departed on a tour of the Northwest on the 22d of September. He has visited Salt Lake City, Utah; Boise City, Idaho; Walla Walla, W. T., the Puget Sound cities, and Portland, Or., and will return on the steamer due Sunday, the 11th inst.

—Wm. Davis writes for a sample copy, but fails to give his postoffice.

—The Farmers' and Mechanics' Fire Insurance Co., of Washington, D. C., is declared to be a wildcat.

—John Q. Underhill, Secretary of the Westchester Fire Insurance Company of New York, and General Agent Brown of Chicago, visited San Francisco last month.

—Acknowledgments: Canada Insurance Report for 1884; California Board of Bank Commissioners' Report for 1885; Insurance Laws of the State of Michigan; Internal Commerce of the United States, 1885.

—Any shortcomings in this month's COAST REVIEW must be attributed to the absence of Mr. Edwards, who is still sojourning with his family in the semi-tropical land of Southern California, and will not return before the 20th, inst.

—The latest assessment of the California Ancient Order of United Workmen is for thirteen deaths, entailing obligations to the amount of $26,000. As the membership is only 16,913, the proceeds of the assessment, at a dollar per member, will leave a deficit of $9,087.

—Needing more room, Hutchinson & Mann have enlarged their main office by adding an adjoining office, throwing two into one, thereby greatly improving the light and expediting the transaction of business by the clerical force. The services of fresco artists were engaged, and the result is one of the handsomest insurance offices in the West.

—While society assessments are small, they are also frequent, and adding thereto the initiation fee, lodge dues, and the frequent contributions incident to lodge membership, it will be found that the aggregate payments, especially in the case of young men, are considerably more than the premiums charged by the regular life insurance companies for *term* insurance. As example, at age 30, the usual premium for an insurance of $2,000, expiring in one year, is $22.70, while during the present year the cost, for instance, in the Ancient Order of United Workingmen, including assessments and lodge dues only, will not be less than $26.00.—*Geo. Moore.*

—In one county in Arizona four women have been burned to death this summer by lighting fires with kerosene.

—Fierce forest fires are raging in Western Washington Territory, the smoke from which is spread over a vast area.

—J. E. Rucker, a prominent insurance and real estate agent at San Jose, Cal., was among the COAST REVIEW callers last month. Mr. Rucker is one of the old settlers of Santa Clara county, has been in the insurance business for many years, and is a warm advocate of the compact.

—The Los Angeles fire department is reported to be badly demoralized. Of the six volunteer companies, only one has vitality enough to hold monthly meetings. A local paper states that the membership has declined three-fourths, and that the city would be nearly helpless in case of a big fire. Los Angeles should have a paid fire department.

—Another "good man" gone wrong. He was the manager of an Indianapolis, Ind., assessment association—the Globe Mutual—and has absconded with the books and money of the concern. The late attorney of the association says that whenever a death occurred an assessment was levied, but Frazier, the manager, pocketed the proceeds, after badgering the claimant into a compromise equal to the amount paid in by the deceased. Once there was a membership of 2,000, but it speedily declined to 400. Frazier made $12,000 out of the venture before he "skipped." Next!

—The assessed value of property in California is $700,543,865. Of this, $560,428,833 is real estate. San Francisco contains nearly one-third of the assessed value of California. Alameda county, which contains the city of Oakland, is the next county in wealth after San Francisco. San Joaquin is third, Santa Clara fourth, and Los Angeles fifth. Sacramento is dropping down on the list, her valuation being but little more than that of Sonoma or Colusa. The progress of Los Angeles in wealth has been more rapid during the last five years than that of any other county in the State.

—The Insurance Journalists' Association will feed in the city of Baltimore on October 29th.

—Chas. Peterson, President of the Security Ins. Co. of New Haven, Conn., died on September 4th.

—The losses on the Indiana business of fire insurance companies for the first six months of 1885 were 72 per cent. of the premiums.

—The Puget Sound Ins. Co. of Tacoma, W. T., is said to pay 40 per cent. commission. Fifty per cent. would better attest the truth of the adage that there is honor among rogues.

—The Citizens' Ins. Co. of Mobile, Ala., has become insolvent and made an assignment. It was formerly the Citizens' Mutual, with $100,000 capital, but a few months ago reorganized with $250,000 capital. Alabama business has long been unprofitable.

—"If my fire, life or accident companies won't send me the COAST REVIEW, I will take it and pay for it myself. I don't see how any agent can get along without it." So writes a live local agent and appreciative subscriber in the interior. We receive many little testimonials like the foregoing, but they are always welcome, and brighten the monotonous work involved in editing an insurance journal. More taffy, if you please, sweet reader.

—We see it stated that there was considerable "friction" at the recent annual meeting of the Masonic Mutual Benefit Association. The cost of running it last year was 33 per cent. of its total receipts. One of the directors receives $604, whereas he was allowed by the by-laws $150. The stationery was $1,800. The trouble is that the thousands of members are scattered all over the country, are unknown to each other and cannot organize. The officers get proxies, hold possession and the purse, increase the assessments, and when the members ask for information or propose to say a word about it, the management cooly ask them, "What are you going to do about it?" It is very doubtful whether society mutual benefit associations serve any useful purpose.—*Cincinnati Price Current.*

—Mr. and Mrs. E. W. Carpenter are visiting Helena, Montana, where Mr. C. formerly resided.

—Mr. J. Raymond Smith, Vice-President of the Great Western Insurance Co. of New York, visited San Francisco last month.

—J. C. Ragsdale has been appointed special agent of the Western F. &. M. Ins. Co. of San Francisco for the States of Colorado, Kansas and Missouri. Mr. Ragsdale's headquarters will be in St. Louis.

—The San Francisco agency of the Great Western (marine) Insurance Co. of New York has been transferred from Everard Steele to Gutte & Frank. This makes the third marine company which the latter firm now represents, the others being the Madgeburg-General of Germany and the National Marine of London.

—In the lodges of the various societies which transact a life insurance business, there are always members who make periodical tirades against the regular companies, and by ingenious and dishonest perversion of figures or shameless lying endeavor to create a strong prejudice. It takes time and labor and brain sweat to produce these scandalous statements and twisted statistics, but it is not a labor of love. The authors are invariably men who are pecuniarily interested in the fees and dues received from the members of the insurance orders. These members are now recognizing the inspiration of this abuse.

—The American Legion of Honor is weakening. The Supreme Commander has been authorized to suspend whole districts in which any epidemic may exist, and the age of admission has been reduced from 55 to 50. The authority to suspend entire districts during the prevalence of any epidemic greatly diminishes the value of the insurance furnished by the American Legion of Honor, for no member can feel assured that he can escape the disastrous effects of such suspension. Cholera, smallpox, diphtheria, yellow fever or some other epidemic disease may break out at any time in any district, and the suspension which follows will leave him without insurance just at the time when he needs it most.

—There is trouble brewing in the Underwriters' Association of Chicago.

—Hon. John K. Tarbox, Insurance Commissioner of Massachusetts, is talked of as the Democratic candidate for Governor.

—The *Insurance and Finance Journal* is the title of a new insurance journal hailing from Dunedin, New Zealand. It gives promise of being a first-class and newsy publication.

—The rank and file of the A. O. U. W. of California are grumbling over the junketing bills of the committee who went after "Father" Upchurch, and accompanied him on his tour of the Coast. The spouters and manipulators of the order are enjoying a fat thing at the expense of the members.

—The New York Court of Common Pleas recently decided in Garner *v.* Germania Life Ins. Co., that where a person who has obtained an insurance on his life for the benefit of his children or others keeps the instrument himself, and alone pays the premiums, the beneficiaries have no vested rights in the policy, and the insurer has the right to surrender it and take out a new one payable to other beneficiaries.

—One of our prominent life companies issues a circular giving the net cost of its policies to a number of policyholders, in various cities, who are named, and whose premium payments are given in detail. The average cost per thousand dollars of insurance is shown to average only about $8 per year. It is strange that with such irrefutable figures before him, any man will pay a greater price for shoddy insurance in some co-operative.

—The October *Overland* contains an able article from the pen of C. T. Hopkins, President of the California Insurance Co. It is entitled, "Thoughts Towards Revising the Federal Constitution." Among the topics suggested for discussion is the extension of the powers of Congress, so as to include more clear and mandatory jurisdiction over inter-state commerce and communication, and the exclusive regulation of banks, insurance companies, and all other corporations which transact business in more than one State or Territory.

—The fire chief of Pueblo, Col., reports to the city council that the fire department is deficient, and not in condition to render adequate service in case of emergency.

—The *Overland*, for October, preserves the promise of better things, suggested by the initial numbers of the new management. The principal contents are: Juan Bautista Alvarado, Governor of California; A Brave Life (John Brown's wife); Thoughts Toward Revising the Federal Constitution, by C. T. Hopkins; The Great Lama Temple, Peking, by Gordon Cumming.

WANTED!

HALF OR WHOLE INTEREST IN

AN INSURANCE AGENCY.

Those who will sell an Insurance Agency, or an interest in one, please address ALLEN, care Coast Review, No. 320 Sansome St. Communication confidential. Purchaser desires to enter the business actively.

ACCIDENT DEPARTMENT,

THE PACIFIC MUTUAL LIFE INSURANCE COMPANY

OF CALIFORNIA.

PRINCIPAL OFFICE, 418 California Street, San Francisco, Cal.

ORGANIZED A. D. 1867.

ASSETS, December 31, 1884 - - - - - $1,263,014 22

The Managers of this corporation beg leave to announce that they have, as contemplated by their articles of association, organized an Accident Department, with

THOMAS BENNET, Manager, and W. H. DAVIS, Superintendent of Agencies.

And that hereafter they will, in addition to life business, transact the bnsiness of Accident Insurance.

Rates the same as those of other standard American accident companies. Policy provisions more liberal and less technical. Are NONFORFEITABLE and WORLD WIDE.

INDEMNITY THIRTY WEEKS.

The patronage of the public is solicited.

CAPABLE AND RELIABLE AGENTS WANTED.

THE PACIFIC SURETY COMPANY

OF CALIFORNIA.

CASH CAPITAL, - - $100,000.

This Company issues Bonds of Suretyship on behalf of Government, Bank and Railway Officers and all employees in positions of trust. This Company will also act as Surety on Bonds required in the Courts.

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C. T. HOPKINS, H. L. DAVIS, J. N. KNOWLES,
H. WADSWORTH, ALBERT MILLER, J. J. VALENTINE,
WALLACE EVERSON, A. P. REDDING.

OFFICERS.

WALLACE EVERSON.....President
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COMMERCIAL
INSURANCE CO.
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Office, No. 439 California St., San Francisco,

SAFE DEPOSIT BUILDING.

FIRE AND MARINE.

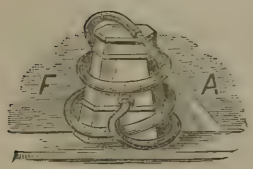
CAPITAL PAID IN FULL, - - - - - - - $200.000 00
Assets, January 1st, 1885, - - - - - - - - $443,381 05
Losses Paid since Company was Organized, - - $1,133,534 80

DIRECTORS.

JOHN BARTON, Merchant.
CHARLES BOGAN, Merchant, Mariposa.
B. L. SCHMITT, Capitalist.
A. BOCQUERAZ, of Shea, Bocqueraz & McKee.
N. OHLANDT, of N. Ohlandt & Co., Manufacturers.
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JAMES SIMPSON, M. D.
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JOHN H. WISE, President. CHAS. A. LATON, Secretary.

A. R. GUNNISON, General Agent and Adjuster.



Incorporated 1820.

FIRE ASSOCIATION
OF PHILADELPHIA.

Organized 1817.

CAPITAL STOCK, Fully Paid, - - - - - - $500,000 00
TOTAL ASSETS, - - - - - - - - - - - $4,106,425 90
LOSSES PAID Since organization of Association during 67 years, **$9,231,622 05**

CHAS. A. LATON, GENERAL AGENT,
439 CALIFORNIA STREET,

Safe Deposit Building, SAN FRANCISCO, CAL.

COAST REVIEW.

A MONTHLY JOURNAL, DEVOTED TO FIRE, MARINE, LIFE AND ACCIDENT INSURANCE.

J. G. EDWARDS, Proprietor,

320 Sansome St., (Room 14), San Francisco, Cal.

(Take the Elevator.)

VOL. 20. NOVEMBER, 1885. No. 11.

Digest of Recent Insurance Decisions.

FIRE.

RIGHT TO REPAIR OR REBUILD.—Good *v.* Buckeye Mutual Fire Ins. Co.; Ohio S. C., October 6, 1885.—The insurer served notice of its intention to rebuild, "acting jointly with other insurance companies claiming to be interested. There were ten separate policies in as many different companies, upon the same building, eight of which served like notices, severally signed by the company serving them. Before the time expired to rebuild, but while these insurers were taking steps for that purpose, the plaintiff compromised and settled with all said companies so electing to rebuild, except defendant, and released each of them from all liability, receiving for such release an amount of money in the aggregate much less than the amount of these policies. The defendant's policy had this condition: "In no case shall the claim be for a greater sum than the actual damages to or cash value of the property at the time of the fire, nor shall the assured be entitled to recover of this company in a greater proportion of the loss or damage than the amount hereby insured bears to the whole sum insured on said property, whether such other insurance be by specific or by general or floating policies, and without reference to the solvency or liability of other insurance."

Held, 1. That the liability of the defendant on its policy as a money indemnity for loss or damage by fire, was, by above quoted condition in its policy, *several* and not *joint*.

2. That the service by the defendant of its intention to rebuild, acting jointly with the other companies, having like concurrent insurance, and serving like notices, converted the respective policies from contracts for a money indemnity into contracts of indemnity, payable in repairing or rebuilding, to be performed in the time named in the policy, but if no time is specified, then within a reasonable time.

3. Upon such conversion by the election of the insurers, their liability for failure to rebuild is several and not joint, unless this several liability was by agreement of plaintiff converted into a joint liability. The service of the notices did not operate to change the terms of this policy. Hence, the plaintiff may recover on this policy such of the whole damage as the sum insured bears to

the whole amount insured, without reference to the solvency or liability of other insurance.

4. That after the policy has been thus converted into a building contract, the insured might settle and compromise with any of the companies thus bound to rebuild without releasing the others from such proportionate share of such loss as their policies bore to the aggregate insurance.

5. That in ascertaining defendant's proportionate share of the entire loss, reference must be had to the aggregate insurance without regard to the fact that some of the companies had been settled with for a less sum than they were liable for, or that others did not elect to rebuild, or were insolvent or not liable.

ADMISSION OF NEW PARTNER.—Drenner, Starr & Everett *v.* The London Assurance Co.; U. S. C. C., St. Paul, Minn., Sept. 14, 1885.—The insurance on stock of plaintiffs was $97,000, and the loss alleged was $117,000. The adjusters fixed upon $80,000 as the total damage. Plaintiffs insisted upon payment in full of the policies. The loss on fixtures was greatly in excess of the $2,500 insurance.

Suit was brought in the local district court and transferred by the companies to the Circuit Court of the United States. Justice Miller of the Supreme Court tried the case personally. The insurance companies attempted to prove that the goods were overvalued by the firm, and as a second defense, urged the technical point that the firm had admitted a new partner, and that all the insurance policies were thereby invalidated. The first defense failed, but on the second Judge Miller decided for the companies. The firm appealed to the Supreme Court of the United States, and the point of law was not sustained. The Court held that the contract of the firm with the person alleged to be a new partner studiously avoided the creating of such a relationship. A new trial was ordered, which resulted in a victory for the firm.

PLEADING PERFORMANCE OF CONDITIONS OF POLICY.—Bittinger *v.* Providence-Washington Ins. Co.; U. S. C. C. Colo., August 3, 1885.—Plaintiff alleged in general terms that he fulfilled the conditions of the policy; defendant answered in like general terms that plaintiff did not observe the conditions of the policy, and denied that insured had given notice of proof of loss. At the trial, defendant contended that upon this state of the pleadings the plaintiff was bound to prove affirmatively that he had fulfilled and executed all the terms of the policy; and if that was not true, that the defendant was at liberty to offer testimony that some of the conditions had not been fulfilled—as the vacancy of the property and the absence of a watchman. This testimony was excluded, on the ground that such defense must be pleaded specially under the Colorado Code. *Held*, That it would be extraordinary if a plaintiff, coming into Court with one of these policies of insurance, should be bound to have witnesses to everything that is set down in the policy; to prove everything which may be set up as a defense; and nobody would have greater reason to complain of it than the insurance company itself, because, if plaintiff should be fortified in all points with an extraordinary number of witnesses, the cost would be very great. The rule is, that in respect to all such matters the insurance company must plead its defense specially in order that it may put the matter in issue.

REFORMATION OF POLICY.—Fink *v.* Queen Ins. Co.; U. S. C. C., E. D. La., Jan. 24, 1885.—Plaintiff made a contract of insurance of his mortgage interest in a piece of property. The policy, by mistake, was made in the name of the owner. The property was destroyed by fire. *Held*, That it is against equity to permit the defendant to set up its mistake and the actions of the owner, who was no party to the contract, to defeat the claim of insurance under such contract. It is therefore ordered that the policy be reformed so as to be payable to plaintiff.

RIGHT TO REPLACE—MATERIAL FACTS.—Anderson *v.* Commercial Union Assurance Company; Eng. H. C. J., June 3, 1885.—Plaintiff had originally a lease of some premises on which he had erected a steam

engine, and the plant and machinery necessary for his business. He afterwards mortgaged his lease and interest in the premises, and, having made default in the payment of the principal and interest due under the mortgage, became tenant at will to the mortgagees. The engine, plant, and machinery did not pass to the mortgagees, but the plaintiff was entitled to remove them as trade fixtures in the ordinary manner. These he had for some years been in the habit of insuring with the defendant company for periods of twelve months, but, since the mortagees took possession, for lesser periods. A fire occurred on the premises, and the building and machinery were very much damaged. The machinery could not be replaced until the building had been restored. At the time of the fire the engine and machinery were insured with the defendant against all damage by fire for a period of a month, the policy containing the usual condition that the company might, if it thought fit, reinstate or replace property instead of paying the amount of the loss or damage. The mortgagees, shortly after the fire, took possession of the premises and put an end to the plaintiff's tenancy. The building was afterwards restored, and the insurance company, electing to reinstate the machinery, did so within a reasonable time, but after the mortgagees had taken possession. The consequence of this was, that the plaintiff was unable to get possession of the machinery, as the landlords would not allow him to enter upon the premises. The plaintiff contended that under these circumstances he was entitled to be recouped in the amount of the loss or damage in money. The company contended that they had a right, under the policy, to reinstate or replace the machinery, and that they had done so; and they also relied on the fact that the plaintiff had not, at the time of insuring, informed them of the precarious nature of his tenure, and contended that this was such a concealment of fact as to make the policy void. *Held*, That the contract was for insurance of the machinery upon the premises, with the right to reinstate. That right still remained to the insurer. *Held*, That the precariousness of the plaintiff's tenure was a material fact in estimating the risk, as it might have made the exercise of the option to reinstate the machinery on the premises impossible. It should, therefore, have been disclosed by the insurer, for all circumstances were material that a reasonable man would require to know before he decided if he would accept the venture.

AGENTS' AUTHORITY. — Jones *v.* London and Lancashire Ins. Co.; New Zealand S. C., July, 1885.—Agent had no authority to insure for more than $2,500, of which $1,750 was to be on contents of the house. The company sanctioned the proposal; but the agent verbally agreed to place the $1,750, not on the contents of the house, but on certain furniture. *Held*, That if a person who is informed by an agent that the agent is instructed to contract with him on certain terms chooses to enter into a different contract with the agent on terms more favorable to himself, he of course takes the risk of the contract not being ratified by the principal. If the principal is to be bound, it must be shown that the contract came to his knowledge, and that expressly or by ratification he ratified it.

MARINE.

EXTENSION OF TIME.—In the Court of Queen's Bench, London, July 11, a marine insurance case was put on trial, entitled Moorewood *v.* The City of London Marine Insurance Company. The plaintiff in this case was an insurance broker in the city, and in August, 1881, he effected through Mr. Skinner, another broker, two policies of £25,000 each upon jute to come down the river in craft from Siragunge to Calcutta. Subsequently, Mr. Skinner initialed a slip for £50,000 upon a similar risk for another period, but no policy was ever granted, and interest to the extent of £2,000 only having been declared upon the two policies, Mr. Skinner arranged to extend the risk for the remaining £30,000 for a further period of time. It was a disputed question in the case whether this extension of time had been sanctioned by Mr. Wright, the underwriter for the defendants in London. A loss of between £2,000 and £3,000 occurred within the extended time and within

the time contemplated by the £50 000 slip, and the plaintiff had to pay this loss to his principal. He now, however, claimed over against the defendants, and the questions were raised whether the defendants were bound by the slip which had been initialed by Mr. Skinner, and whether also they were rendered liable by the extension of time in connection with the two £25,000 policies. Evdence was given on both sides, and the circumstances were of a somewhat complicated character. The jury in the end found a verdict for the defendants.

INSURABLE INTEREST.—ABANDONMENT.—TOTAL LOSS.—UNDERWRITERS' OWNERSHIP. Young *v.* Union Ins, Co., U. S. D. C., N. D. Ill., June 15, 1885.—Libellant sought to hold respondent for a constructive total loss. The defenses were that libellant had no insurable interest in the schooner, but that he held the legal title as naked trustee for one J. T. Young; and that the libellant was not entitled to abandon the schooner as for a constructive total loss. The agents of respondent knew when the policy was taken out that the beneficial ownership was in said James T. Young, and issued the policy with the understanding that libellant was acting as trustee for said James T. Young. The schooner was stranded in a gale of wind. Respondents' agents employed a tug and pump, with the aid of which the schooner was floated and taken to a port where she could not be repaired. At this port the schooner was laid up all winter. The libellant being informed that the schooner was to be libeled for the unpaid services of the tug and pump, and further, that the schooner was in danger of being damaged by pounding against the dock, notice of abandonment as for a total loss was duly served, and proofs of loss were subsequently served. The vessel was towed to Chicago and put in repair, and then tendered to libellant, who refused to receive her.

Held, That the authorities all concur in the proposition that the legal title being wholly in libellant as trustee, he had the right to insure the property so held by him for the use of his beneficiery.

Held, That the only question to be considered for the purpose of settling the right of abandonment under the 50 per cent clause is the amount of damage which the owner of the insured property received by reason of the disaster sustained by the schooner. The proof shows that after deducting from the cost of the repairs one-third new for old and charging to the owner's interest his portion of the salvage expenses, the amount of the salvage expenses would equal one-half of the amount insured. If that damage exceeded 50 per cent. of the amount insured, the right of abandonment is given; and unquestionably the expense of getting the vessel off and making the repairs did exceed 50 per cent of the amount insured.

Held, That if agents of respondent had taken the schooner at once, upon getting her afloat, to a port of repair, and where a survey could have been made to determine the cost of such repairs, it might have been the duty of insured to exercise his right of abandonment as soon as an intelligent survey could be made and the damage ascertained. The delay, under the circumstances, was not unreasonable.

Held, That where underwriters take possession of the insured property under the "sue and labor" clause for the purpose of saving or repairing the property, they must make reparation and return within a reasonablo time, or they make the property their own, and are liable as for a total loss.

LIFE.

ASSIGNMENT. — CREDITOR'S INTEREST. — Connecticut Mutual Life Ins. Co. *v.* Baldwin; R. I. S. C., July, 1885.—One Fifield took out a life insurance policy payable to Mary, his wife, and his children. When the policy was taken out he had four children living by a former wife. Subsequently a child was born to F. and M. Afterwards, F. and M. transferred their right, title and interest in the policy by an unsealed instrument signed by them, as collateral security for a debt of F., and the instrument and the policy were delivered to the creditor. No question was raised as to the validity of the transfer. On a bill of interpleader

brought by the insuring company after the death of F. and M., for the purpose of ascertaining the rights of the interpleading parties in the sum of $5,000 insurance money, payable under the policy, it was *Held*, 1. That the policy was an executed, irrevocable, voluntary settlement in favor of the wife and the children in being when it was taken out. 2. That F. and M. could pledge or assign the policy to the extent of their interest in it. 3. That the policy being for $5,000, that one-fifth of this amount was due to the creditor and one-fifth to each of the four children. 4. That one of the four children having died a minor before F., that the one-fifth due this child should be paid to his legal representative, if any, and if none, to the administrator of F., the child's father, or next of kin.

ASSESSMENT.

INSURABLE INTEREST. — Keystone Mutual Association *v.* Beaverson; Pa. S. C., May 18, 1885 — The sister of plaintiff lived in his house for six years. During the first year he paid her something less than $200, but did not thereafter pay her anything, nor did she ask for any pay. He clothed her and gave her money from time to time, however. No account was kept between them. Plaintiff, at his sister's request, took out a policy of insurance on her life. She died, and the association declined to pay the claim on the ground that it was a speculative policy. *Held*, That plaintiff was supporting and maintaining his sister in his family under circumstances tending to constitute the relation of debtor and creditor. It is very clear that the insurance was obtained in good faith, and not for the purpose of speculating upon the hazard of a life in which he had no interest.

The Pullman Car Company have made arrangements with the American Surety Company, by which the latter is to go on the bonds of all the former's conductors in the sum of $500 each. There are about eight hundred of these conductors, and each one is required to pay $7.50 a year to the surety company as premium for the insurance.

A Cold Collation.

[Extracts from papers read at the recent meeting of the Underwriters' Association of the Northwest.]

I recently came into possession of some reliable facts which enabled me to compute the average policy of one of our large agency companies, and I found it to be $1,676.87. As the company is one of the ablest in the world, it is highly probable that its average line is considerably above the average line of the companies at large. Now, if we remember the way moderate companies write $2,500 lines—about $1,000 above the average—we see that the field into which the small companies cannot intrude is very limited indeed, and of even the larger lines it can carry a part, and if it elect to carry at a cut rate its power for mischief and annoyance, as compared with its relative size and importance, is not unlike that of the solitary but pertinacious fly which exasperates the giant in the drowsy morning, and turns the sweetest hour into vexation.

THE AVERAGE POLICY

Is a *small* policy; if $1,600 be not an exact, or even a close approximate figure, it does not in any exent exceed the line of the small company. This is to my mind one of the broad, prevalent, underlying facts, out of which grows the perplexity—perhaps the irremediable perplexity—which besets the business, for no fact is better known to you all than this, that the *competition is sharpest for small risks.* The great lines, the large establishments, seek the insurer, while the small ones are sought by him.— *C. C. Hine.*

THE GREAT TAX.

We are burning out of existence and circulation taxable property, which, if preserved, would help us in this national work of payment; values that in every fifteen years equal our present national debt! We are drifting towards absolute bankruptcy, in which procession we have in the last ten years sent 204 insurance companies in advance of us.—*Abram Williams.*

ROUGH ON THE SPECIAL.

The special of farmer times was selected on account of his eminent fitness. He

went forth with genuine pride in his calling, regarding himself as a member of a reputable fraternity, and having with him the honor and integrity of his superiors. He was far removed from all sharp practices, would scorn a contemptible action, was faithful to his trust, abhorred a falsehood, and was manly, honest and true. Those were the days when care and caution were used in the selection of special agents. The Jeffersonian test, "Is he honest, worthy and qualified," was applied. This manner of selecting a special is now but a memory; instead, the qualifications most generally thought of by many companies are: "Is he sharp, tricky and cheap, and is he possessed of the attributes which appertain to the celebrated law firm of Quirk, Gammon & Snap?"—*J. L. McClure.*

WHERE MORE COMPANIES ARE NEEDED

In the great centers of trade there are localities where there are such concentrations of values as exhaust the insurance companies of the whole world; many of us know spots where policies are held from every company in America and Europe, whose contract is regarded as safe, that can be induced to write. There are not many such spots, but there are enough of them to create a demand for companies, and to raise the idea in many minds that more companies are needed; and so they are, in spots, as indicated; but the moment you leave the great mercantile centers and strike towns of 100,000, 50,000, 20,000, 5,000 population, and so on, you find from two to twenty companies standing ready to write every risk that offers. Hence competition; hence the struggle; hence the situation which we are now considering.—*C. C. Hine.*

FIRE CORONERS.

The authorities should appoint fire coroners, or other proper officers, whose duty should embrace the investigation of fires, and insurance companies should be prevented from settling a loss until such legal inquiry was had. Insurance companies should be prevented from paying under sixty days any loss on property in which the fire originated where the cause of the fire was unknown. When these things take place, and risks are improved, then rates will assume the low standard prevalent in many of the older countries. In some of the countries of the old world, the public seem better informed as to the proper method of reducing the cost of insurance. In some, the government takes the whole charge of it—a plan lately proposed by Bismarck. In the Canton of Zurich, the government assesses a ratable tax upon all the property to meet the fire loss. The people are encouraged to look for lower tax following a lessening of fires. Under this system all work for the lower tax, and all are interested in preventing the starting and the spread of fires. Here insurance companies are engaged in the same effort, but have to work amid the prejudices of the ignorant and designing.—*Abram Williams.*

WHY A TECHNICAL DEFENSE IS EMPLOYED.

No one contested claim, however, is so outrageous but what the courts and juries, and the public seem ready to give a verdict against the insurance company before the case is fairly heard. The actual act of setting fire to property is seldom seen, but cases come before insurance companies that leave no doubt as to the crime. The proof would be sufficient for the public were no insurance involved. Insurance companies, however, are the victims of the prejudice attaching to corporations, they are precluded under the strict and partial application of the law from making the real proper defense known, and therefore must resort to the conditions in the contract which may have been voided by the claimant—defenses that would not be strictly maintained in cases of honest and proper claims. This same prejudice is taken advantage of by the claimants in other cases where values are unreasonably augmented, in order to cheat and make more of a claim than the party is honestly entitled to receive. In such defenses insurance companies are met with the cry of technicalities. Pray who instigated the technicalities? It was the courts, who made rulings that none but a technical mind would have thought of. One judge lately ruled that furniture, named in the

policy as being in a dwelling situated where the rate was low, was still insured, though removed without notice or consent to a location that was absolutely uninsurable. Other cases familiar to insurance men can be cited by scores. No wonder insurance men added from time to time conditions to policies to cover such decisions, and no wonder that time and such rulings have spun out the contract to its present size. But for all such misjudgments, every underwriter knows, and claimants know, that daily the utmost liberality is used in all offices, and that thousands are paid where technical retaliations would stop the payment.—*Abram Wiliams.*

COMPETITION INEVITABLE.

We might as well be common-sensible about this matter, and recognize, to begin with, that the favorite howl about "crushing out competition" is the sheerest nonsense. Whatever is done must be done *with* competition, because we can never get rid of that. Profitable results in any line of trade will immediately call more men and more capital into it.—*C. C. Hine.*

WAR TO THE KNIFE.

"The companies must combine for war!" says one of my correspondents. "Let them combine to annihilate non-boardism by capturing all its business at any sacrifice and divide the cost!" "Fling aloft the banner of non-intercourse; let our motto be 'Boards where we can, war where we cannot.'" "The companies have combined for peace again and again and failed; now let them combine for war." "The best guarantee for peace," says he, "is readiness for war." That is good statesmanship; it is good generalship; but it brings us right back to the old obstacles—the difficulties in the way of efficient combined action for war or anything else. May and December must be married, oil and water must mix, harmony and co-operation must be secured. If it can be done though, by all means let it be done.—*C. C. Hine.*

TWENTY-FIVE YEARS AGO.

We had but little kerosene oil, no gasoline lamps or stoves, no patent non-inflammable, non-explosive-suicide-by-the-short-cut devices, such as we now meet on every turn. Our fathers did not believe in stovepipes through partition walls or roofs, but built chimneys as they built walls, to stay and perform the work that was expected of them. Brick stores unexposed paid one and one-half per cent. from 1859 to about 1864 in Illinois, and the agent was paid ten per cent. commissions. Frame dwellings entirely unexposed and unoccupied by owners paid seventy-five cents for one year, one and three-quarters for three years, and two and one-half for five years during the same period, and the same commissions to agents were allowed, and no perquisites or pen-knives. The writer remembers visiting a town (now under compact) in Illinois in 1865, and under instructions of a general agent canceled off a line of eight or ten detached frame dwellings, because the agent had taken the liberty of writing them up at one and one-half for three years. The company demanded full office tariff, one and three-quarters. They were all canceled after half a day spent in trying to convince the owner that they could not be insured at anything less and give any profit. The compact rate on these same risks is now one per cent. for three years, and the agent gets fifteen per cent. commission, and if they were located a few hundred feet further away, so as to be classed as country property, he would doubtless get twenty-five per cent., take a slow note for the premium, throw in a cyclone policy, and attach a cut-throat mortgage clause to boot. In short, we have made progress in some directions, but those of us that have grown gray in the business may be excused if at times we think that, like the boy who was late at school because, as he told the teacher, "it was so slippery that every time he took a step forward he slipped two steps backward," we might turn around and go the other way a while, with some certainty that we are nearing the schoolhouse.—*Volunteer.*

That new Nihilist explosive, helloffite, may be a wonderful discovery, but we doubt whether its destructiveness equals the old reliable American explosive, fullofight benzine.

The Unwisdom of a Technical Defense.

Tha companies interested in the Drenner, Starr & Everett loss at St. Paul., Minn., made a strong fight against an exorbitant claim, but were finally defeated. The plaintiffs demanded payment in full of all the policies, aggregating $97,000. The adjusters reported that the loss did not exceed $80,000, but the firm would not accept that amount.

The companies were so well satisfied that the claim was excessive, that they supported the defense of overvaluation with the technical point that by the admission of a partner into the firm all the policies had been invalidated. The result has shown that this second defense was an unwise one, however justified by the cinching demand of the assured. The U. S. Supreme Court refused to sustain the point, and ordered a new trial, which has ended in a victory for the plaintiffs.

It is doubtful if a purely technical defense should ever be resorted to, even though it should seem necessary, as in this case, to support the real defense, or be warranted by every consideration of justice. The courts do not take kindly to technical pleas when urged by corporations, and whatever the circumstances, the employment of technical points in resisting unjust claims is prejudicial to the interests of the companies in their dealings with the general public, and a prolific source of hostile legislation.

Portland Correspondence.

PORTLAND, OR., Oct. 25, 1885.

EDITOR COAST REVIEW: We have had a small blaze in Chinatown; loss something a little over $2,000. This affair was so well handled that it only gives us more faith in our fire department. Its efficiency has steadily increased under the pay regime, until now we feel that we have the proper material to handle any conflagration.

A great many companies, by the way, object to Chinese risks; some will not write on them at all. A fair line in these blocks, I think, would be found to be good paying business. We get good rates for them. They are brick, and being in the heart of the city, they are surrounded on all sides by engine companies, who would soon make short work of any fire there. We have had some little scrub agitation about the "Chinese must go" lately, but the people are too sensible up here to run the risk of injuring our future prospects by giving countenance to any lawless acts. The insurance companies especially do not desire any bonfires at their expense, and therefore will prosecute vigorously any attempts of this nature. Time, the healer of all things, and the vast common sense of the sixty millions of citizens living in this country, will no doubt remedy this cheap labor problem, but by lawful methods only. No fire bugs need apply in helping to settle this important question.

I met Mr. Dickson in town; he had been making quite an extended trip, and I fancy has no reason to complain of the splitting up of his agency. He thinks a first class fire boat would afford greater protection to our city front. We have a boat now, but it might be improved on.

Mr. Van Otterendorp for many years with Oldendorff, Harvey & Co., has resigned, and gone into the railroad office.

The term of Geo. A. Steel as our Postmaster (who bought out Dobinson's agency) having expired, a Mugwump, Prof. Roby by name, has been appointed to succeed him. The old-line Democrats are correspondingly mad.

Manager Brown of the New Zealand has gone on a trip to Montana in the interests of his company.

Secretary Hall, of the Oregon, has returned from Colorado and Utah, reporting everything there as "way up."

The American Legion of Honor, an assessment concern, in a flourishing condition here about two years ago, has nearly disbanded for lack of membership. Hard times and too many assessments the cause. They hold no more meetings, but if anybody is fool enough to send his money on to the Grand Lodge, he is invited to do it.

NAOLS.

Classification of Fire Risks.

We extract the following from a paper by John Sinclair, read at a meeting of the Insurance Institute, of Victoria, Australia:

"The early classifications were those of theory. Up to the commencement of the 18th century, the English fire offices, then feeling their way to business, began with a very simple classification indeed. Observation had taught that wood burned more readily than brick. Accordingly they divided their risks into two classes—brick and timber. Beyond this they had at first literally no classification, and no experience to build it upon. A brick dwelling and a brick theatre were taken at the same rate. A wooden dwelling and a wooden theatre were charged double the rate for the brick ones, both being classified alike according to construction, and with that alone, for the basis of rating. But experience soon told that there were other things to be taken into account besides construction, and so in the prospectus of the London Assurance Corporation (1721) we find the important element of occupation introduced. This prospectus gives three classifications, at fixed rates for each, viz: I. Common or non-hazardous; II. Hazardous; III. Doubly hazardous; and a special class for which rates to be fixed by special agreement. This is the origin of the term "special risks," so well understood in English insurance practice.

"By-and-by, passing into the present century, we find a wider classification in the tariff of the Scotch offices of 1830. Up to this time the offices would appear to have acted with little concert on the elementary and theoretical classifications, which circumstances had forced on them. Competition in the absence of knowledge had the usual effect in bringing many of them to grief, when the Scottish offices, who had been sorely pressed by the aggressive policy of some of their wealthy English rivals, took the practical course of consulting together, uniting in an interchange of their experiences, and basing upon them a classification of risks and corresponding table of rates, below which the results of their common experience induced them to agree to let the business go elsewhere. An examination of this, the first combination tariff on record, is interesting. Although crude and meagre, as compared with many subsequent tariffs, it marks a distinct advance in classification, introducing some new elements, and extending or elaborating the application of others.

In modern practice there is no country perhaps in which classification has been more scientifically managed than in France. French classifications start with two primary divisions, viz.:—(A) Immovable property or buildings; (B) Movable property or contents. These are classified according to—(I.) Locality, with varying normal rates for different towns and districts; (II.) Construction, which, in its turn, has seven sub-divisions; (III) Occupation or nature of contents.

The American tariffs classify upon six different constructions. In their classification for occupancy a distinction is made in some cases between the different floors of the building in which the goods are stored. The French charge an extra rate for the whole risk in respect of each extra story. The American charge an extra on an ascending scale, according to the height of the floor to which the goods are carried. In America, the rate for building is the basis or normal rate. Contents are rated according to their classification, it may be the same or a little more, and sometimes a little less than the building rate. In certain blocks "preferred stocks" are rated from 10 to 25 per cent. less than the "building." We do not find in America, nor anywhere else so far as I know, that enormous reduction in favor of the building to which we have grown accustomed in Victoria."

In the second trial of the famous case of the People *v.* Lorenzo Dimmick, of Buffalo, charged with grand larceny in the first degree, the jury brought in a verdict of guilty with a recommendation to mercy. It will be remembered that Dimmick was charged by the Thames and Mersey Insurance Company with transferring insurance originally placed in other companies to that company, after reports of losses of vessels had been received.

English Friendly Societies.

They have no co-operative or assessment life insurance societies in England like those in this country, but it seems that some of their "friendly" societies resemble the American hat-passer in some particulars, after all. A district manager of the Liverpool Victoria Society is charged by a collector with pressing him and others to enter worthless business. It is alleged that in the low slums of London, names of persons representing pounds of good business, which cost the offices scores of pounds—£12 being paid by the society for every pound of business thus obtained—were bought with drink. Names and ages are copied from gravestones, entered as business, and charged to the office. Our authority is *Truth*, of London, which cannot be charged with any prejudice against friendly societies.

There are many complaints as to the management of these societies. They are close corporations. The managers are petty autocrats, and are virtually responsible to nobody. The law requires a considerable deposit with the Chief Register of the country with every petition, otherwise it is not considered by that official. This obstructive provision practically prevents any investigation, for the poor men who form the great bulk of the membership of these societies are unable to make the required deposit. The charges of extravagance, enormous salaries, sharp practices, and bold rascalities in the mouths of the members and flying about the press, are therefore ignored alike by the apathetic authorities and the nest-feathering officers.

Recently the United Assurance Society, which had long been practically insolvent, finally went by the board. The officers had been guilty of many irregularities, for which the law seemed powerless to reach them. The managers of the Liverpool Victoria Society have been getting so many golden eggs from that fat and famous goose, that exposure has followed. Efforts are being made to save the bird from the greed of its keepers, who, in 1884, divided $50,000 between them. The manager's share was $19,450. In the same year the committee of managers and the treasurer of the Royal Lion Friendly Society rewarded themselves with the modest sum of $24,330.

The reader will observe the solitary resemblance between the American co-operative and the English Friendly society. The latter levies no assessments, but has graded rates, payable like the premium in a regular company, and it has invested assets; but, like the American hat-passer, it is organized and maintained chiefly to give its officers profitable positions. There the resemblance to the American co-operatives begins and ceases.

The Union Mutual Life Ins. Co.

This popular Maine life insurance company is one of the oldest in the country, having been organized in 1848. The management is thoroughly able, creditably energetic, and prudently ambitious. The triumphant controversy with the Massachusetts Insurance Department, and the flattering results of the searching examination of the company's affairs, left a favorable impression on the public mind; and the recent victory in the courts over the Chicago University repudiators, has renewed attention to the solid character of the company, the excellence of its reputation, and the liberality of its policies.

The assets of the Union Mutual Life on December 31st, 1884, were $6,322,001 while the surplus, New York standard, was about three-quarters of a million. Since its organization, the company has paid for death losses over $8,000,000, and for matured endowments over $3,000,000. Its policies, after three years, are incontestable, unrestricted in travel, residence and occupation, and are protected by the famous Maine non-forfeiture law. Losses are paid upon approval of death proofs, without discount.

A noteworthy example of the working of the Maine law is given in the case of the late Robert Gorrell, of Douglasville, Pa., who took out a policy for $10,000, on the fifteen-year endowment plan, July 10, 1879, on which three premiums only were paid, the last one July 10, 1881. Although Mr. Gorrell died four years after making the last payment, his policy was paid in full,

less three annual premiums (ordinary life rate) and interest thereon.

Of late, the Union Mutual Life has been pushing for new business with more than usual energy, and substantial evidences of this additional vim may be expected in the next report. On this Coast the company has a new manager in the person of Jabez Howes, a well known business man, who has been remarkably successful thus far in his new field of labor.

A California Supreme Court Decision.

IS A FISHING SCOW A BUILDING?—ADMISSIBLE TESTIMONY.—Enos *v.* Sun Ins. Co.; Cal. S. C., Oct. 30, 1885.—Plaintiff had judgment for the amount claimed; the defendant moved for a new trial, which was denied. From the order made therein, and the judgment, an appeal was taken. The case was tried by a jury.

One of the questions involved in it was whether or not the fishing scow which was insured was in the policy of insurance included in the word "building," and thereby affected by all the terms and conditions of the policy as a building. The defendant contended that it was so included, and that, therefore, it being unoccupied both af the time it wes insured and at the time it was burned, the plaintiff could not recover.

Another was whether or not the scow belonged, at the time the policy was issued and it was burned, to the plaintiff or to one Naline.

The policy in question, among other things, contained the following clauses:

First.—The assured covenants every fact and circumstance affecting the risk or hazard adversely to this company has been fully made known to the company.

Second.—That this company shall not be bound by any act or statement which is not contained in the written application or indorsed on this policy.

Third.—Waiver. The use of general terms or anything less than a distinct, specific agreement, indorsed or attached to this policy, shall not be construed as a waiver of any printed or written condition or restriction herein.

Fourth.—Conditions voiding this policy without written permission indorsed hereon, or stated in writing in the application for this insurance, * * * or if the above-described building or buildings, or either of them, now are, or shall become vacant or unoccupied.

According to the second clause, it seems that the Sun Insurance Company in its contract with the insured had expressly exempted itself from being bound by "any act or statement" not contained in the application for the policy or indorsed on said policy. Hence, no notice to its agents as to anything different from what the policy and application contained would bind the company, and the defendant's instruction No. 4 on this point asked should be given.

Instruction No. 3 should have been granted, as the local agent, according to the terms of the policy, should not, as claimed, waive any of the provisions of the policy; it could only be done by writing on it or the application. (Shuggart *v.* Lycoming Fire Ins. Co., 55 Cal., 408–413; Gladding *v.* Ins. Asso., 4 West Coast Rep., 107; McCormick *v.* Springfield Fire Ins. Co., 5 Id., 230–232; Silverberg *v.* Phœnix Ins. Co., 6 Id., 482–484.)

The defendant offered to prove by the witness, Frank I. Lewis, who had been for fourteen years engaged in the fishing business on the Sacramento river, that scows of the kind and character as the one insured were used and occupied as buildings by the persons owning them; that in the fishing season such persons used them as residences and places of business, and that when the fishing season was over, they used them as residences on land; that this particular scow was so used, and that in the same locality as that of the one in controversy other scows were so used.

This evidence so offered was admissible. And upon it and the circumstances surrounding the transaction, it would have been proper for the Court, by instructions, to have left the jury to determine, as a matter of fact, whether or not the parties making this contract of insurance intended that all limitations and conditions thereof should apply to the scow as a building.

This testimony having been excluded, the instructions on the point became useless and misleading.

None of the testimony as to conversations with Hoagland was competent. Nor was the proof offered by the defendant as to what consideration Enos had paid for the scow, as there was no question of a fraud on creditors involved in the case.

In so far as the charge of the Court announced the law to be different from what we have indicated it to be to this case there was error.

The judgment and order should be reversed, and the cause remanded for a new trial FOOTE, C.

We concur: BELCHER, C. C.
SEARLS, C.

For the reasons given in the foregoing opinion, the judgment and order are reversed and cause remanded for a new trial.

BY THE COURT.

Report of the Sovereign Grand Lodge of the Independent Order of Odd Fellows—Age Increases the Sick and Death Rates.

The report of the special committee on dues and benefits made to the Sovereign Grand Lodge of the Independent Order of Odd Fellows, at the annual communication held in Baltimore in September last, is of special interest to life underwriters, for the experience of the order has led the committee to urge the adoption of the "level premium" plan of legitimate life insurance companies. Both the sick and the death rates of the order show a variable but continuous advance. The committee deplore the folly of those members who, "in recognizing present prosperity, have failed to realize the increasing draft which age and time make upon a lodge's finances, and fail to see the necessity of making present provision for future calls." This is the keynote of the entire report. The order, in the words of the committee, must adopt sounder practices. It must collect more than enough now, that it may fulfill its promises to initiates in the future, when assessments, under the present system, will become too burdensome. This testimony is so disinterested that it has a special value.

What will the opponents of "old line" life insurance say to this quotation from the report of the committee? "It is in youth and in manhood that we must provide for the wants of age; and the spendthrift who lives up to, if not in excess of, his income, regardless of the coming years when his income will diminish and his expenditures will increase, is just as wise and prudent as the lodge, which finding its present resources sufficient for its present wants, forgets that a day will come when its wants will be greater without any corresponding increase in its resources. The spendthrift will become an object of charity or live by fraud, the lodge will become bankrupt and bring down in its fall those who placed their dependence upon it."

This is the principle upon which the old line companies grade their premium charges, and it is the principle which all the co-operatives violate. Youth must make provision for old age. Youth must pay more relatively now, in order that when old less relatively will be required. The producing or carrying power is considered when the burden is adjusted. It is a common sense and the only practicable system of either life or beneficial insurance, and the experience of the Odd Fellows is but another link in the lengthening chain of testimony.

The following quotations from the report of the committee all confirm the postulate that the death rate of every co-operative life insurance association must inevitably advance with age, and finally end in bankruptcy and disintegration:

STATISTICAL INFORMATION.

In gathering additional statistics, there has been nothing found which does not emphasize the conclusions previously reached by your committee. All experience still continues to show that, with advancing age, whether of the lodge or of the individual member, the sick rate increases. In further proof, take as an illustration the record of a jurisdiction of 80,000 members.

THE EXPERIENCE OF PENNSYLVANIA.

Grand Secretary Nicholson says in his report: "Another year's experience in the lives of 80,000 men has been added to the facts previously collected in relation to the proportionate amount of sickness. The law of average is not only demonstrated, but the inner law of increasing average with increased years is again confirmed. No law known to man is more certain in its operation than this law, which the annual experience of the order reasserts in unmistakable terms. It is not only a contribution to the statistics of the science of disease, but it is the unerring law to which every lodge must yield. Happy the membership that anticipates and provides for its effects.

The average ratio of sickness throughout Pennsylvania for the past year, if distributed pro rata to each member, would be 6 days, 21 hours and 46 minutes. The general average of sickness for every 100 members was in 1873, 62.25 weeks; in 1874, 62.91 weeks; in 1875, 67.22 weeks; in 1876, 64.47 weeks; in 1877, 77.39 weeks; in 1878, 80.90 weeks; in 1879, 89.78 weeks; in 1880, 90.78 weeks; in 1881, 95.15 weeks; in 1882, 94.33 weeks; in 1883, 97.69 weeks; in 1884, 98.67 weeks.

EXPERIENCE OF S. G. L.

The same story is told by the entire jurisdiction of Odd Fellowship, as we find by the returns for the last twelve years.

Table showing rate per member, in decimals, of deaths and of weeks' benefits paid, under the jurisdiction of the Sovereign Grand Lodge, from 1873 to 1884.

Year.	Members.	Weeks' Benefits Paid.	Average	Brothers Buried.	Average
1873	414,815	115,289	.2779	4,013	.0096
1874	438,701	179,479	.4091	3,889	.0088
1875	454,689	211,148	.4667	4,543	.0099
1876	456,125	230,398	.5160	4,317	.0094
1877	448,019	221,319	.4939	4,284	.0095
1878	442,291	237,709	.5368	4,381	.0099
1879	440,783	246,768	.5959	4,530	.0102
1880	456,942	251,448	.5502	4,504	.0098
1881	475,948	285,081	.5989	5,055	.0106
1882	496,696	290,750	.5853	5,132	.0103
1883	505,871	311,060	.6544	5,211	.0105
1884	516,230	323,614	.6268	5,229	.0101

The points to be observed in connection with this table are these:

1st. The gradual and variable, but at the same time continuous advance in the sickness rate from two days, twenty hours, forty-three and three-quarter seconds for each member in 1874, to four days, nine minutes and eighteen seconds in 1884. Had the order remained stationary, or had it decreased in membership, the rate would doubtless have advanced still more rapidly.

2d. The death-rate has also advanced, though not so rapidly. In the last ten years it has averaged a little over one in one hundred members.

EXPERIENCE OF MARYLAND.

The condition of the order in the State of Maryland is a striking illustration of the dangers that lie in the path of a beneficial society. In any country where the society is young, or where, though not young, it is growing rapidly and adding to its membership large numbers of young and healthy men, its sick rate and death rate will be low; the average amount called for in benefits will be small, and the lodges will appear to be in a prosperous condition. But in the natural order of things there will come a day when in some particular locality adverse circumstances of some description will check its progress for a time. If the society can bear this arrest in growth without appreciable financial loss; if, though its membership remain stationary, or even decreases, its revenue per member, as compared with its expenditure, remains unaffected, then it may safely expect that its period of depression will be short and its decline only temporary. But if, when it ceases to draw in new members and its sick and death rate increases, its revenue is found insufficient, public confidence will be lost, people will not connect themselves with it, and a disastrous end is certain.

Maryland is the oldest jurisdiction in Odd Fellowship. In all the early growth and prosperity of the order it had its full share. But of late years, for some reason, there has been an arrest of development. From near 14,000 in 1871, its membership has dwindled down to 9,690 in 1884. With this has come the natural result—increased sick and death rate. In 1874, the first year in which the returns called for the number

of weeks' benefits paid, Maryland reported 11,867 weeks for 13,133 members—an average of six days, seven hours and three-quarters of an hour per member. For 1884, the average has risen to one week, five days, four and one-half hours per member, and in one year (1881) it was more than two weeks per member. Its death rate has also risen during the same period from 12 in 1,000 to 16.

Now, if the lodges in Maryland had in the time of prosperity drawn from their members in dues and fees about twice as much money as was at that time required, and had invested their surplus in interest-bearing securities, then their revenue would not have been altogether dependent upon their membership, and would have shown little or no proportionate decrease.

THE EXPECTATION OF SICKNESS.

While the data above given establishes the general law of the increase of sickness with age, the average expectation of sickness for each year of a man's life can only be ascertained by a comparison of the total number of members at any particular age with the amount of sickness for that year. To obtain these returns for the order at large every year involves a greater amount of labor than the S. G. L. has been disposed to ask of its subordinates. Such returns have been made, however, in individual jurisdictions, and in one year, 1854, were compiled for the entire order, embracing then the experience of over 66,000 lives. Statistics of this description have also been compiled in Great Britain, where benefit societies are under government supervision. Mr. Sutton, actuary of friendly societies in that country, tabulating the returns of the Manchester Unity of Odd Fellows and other kindred organizations which are sent to his office, estimates the average sickness per member at one week and a half per annum. This is in excess of our experience; but the societies in Great Britain are older than in this country, and their growth has been more uniform.

President Cleveland carries $26,000 on his life.

The Locals' Memorial.

When the "cycle of time" had rolled around to the 8th of October, the executive committee and officers of the new Stockton organization who did "cognominate" themselves the Local Underwriters of California, visited San Francisco and delivered themselves of a memorial to the Pacific Insurance Union, which we take pleasure in spreading upon the records of the COAST REVIEW this month. This memorial is an entirely original production, which none should neglect to read.

It appears from this address that the local agents who met at Stockton in September and exchanged their "individual ideas and experiences," reached four conclusions. Like all reformers from time immemorial, they believe that the old order of things has lived its day, and that the new order is to be ushered in forthwith. That is the first conclusion of our hopeful friends, the locals. The second is that the present agency system is inefficient, and chargeable with the greater portion of our annual fire-waste. The third is that the great panacea for underwriting ills is "the elevation and full recognition of the local agent." The fourth and last conclusion of the convention is that the success of the compact system depends on the loyal support of the local agents.

These four conclusions of this deliberative body of local agents in convention assembled, introduce the measure which is to send the ancient order of things a-kiting, remodel the present agency system, greatly reduce the annual fire-waste, lower rates and increase the aggregete premium income, augment dividends, make the compact a wrought-iron cable, elevate the local agent and give him more of those "commodities, life, liberty and happiness," and finally usher in the insurance millennium. A graded compensation to agents is the genius whose magic is to transform the present order of things and accomplish the desirable changes we have outlined.

The executive committee of the Local Underwriters' Union propose that the compensation of agents shall be graded as follows:

	Commission.
Premium receipts under $1,000	10 per cent
Premium receipts between $1,000 and $2,500	12½ per cent
Premium receipts between $2,500 and $5,000	15 per cent
Premium receipts between $5,000 and $7,500	17½ per cent
Premium receipts exceeding $7,500	20 per cent

With the general proposition that the agent who does not make insurance his principal business is not worth the same commission as the agent who devotes his best energies and the most of his time, we heartily agree. The agent's compensation should be in proportion to the value of his services, but that value, unfortunately, cannot be determined by the extent of his premium receipts. The agent with a large premium income, derived through extraneous aids, may be less competent than the painstaking agent with a small premium income. The former may divide his time with another pursuit; the latter may give his entire time to insurance.

The present supply of good local agents is not so large that recruits to their ranks will not be welcomed, yet the method of remuneration proposed by the Local Underwriters' Union would practically restrict the supply to existing locals. The companies are debarred from making good local agents from new material, for the low rate of commission is no inducement to the new agent to give so much of his time as may be necessary to improve his underwriting abilities. He will accept the agency, but he will remain an indifferent underwriter.

We may fairly assume that the principal object of the Local Underwriters' Union is to increase the income of its members by diminishing competition, and this is to be accomplished by reducing the number of local agents. The object is a reasonable one. Every underwriter will admit that there are too many local agents for the good of the business. But will the number be reduced or kept within reasonable limits merely by the scaling of commissions? We venture to say that there would not be one local agent less, for no man who contemplates making insurance a "side issue" will be deterred by the proposed reduction of his commission. As long as such men can get any commission at all they will accept an agency, and give even less time and thought to the performance of their underwriting duties. It is clear that a reduction of commission to such local agents will not remedy the evil of too many agents nor the evils of incompetency and dishonesty.

This effort of local agents to devise a remedy for some of the evils of underwriting is as creditable to their ability and originality as their desire to co-operate with the Pacific Insurance Union is creditable to their loyalty and good sense; but in looking over their memorial and report of their proceedings at Stockton, we find a singular omission of all reference to the one vexatious evil which they alone can eradicate. We refer to the division of commissions with the assured. In spite of the regulations of the Pacific Insurance Union, many local agents do, directly or indirectly, divide their commissions, and the exposure and punishment of this violation of business principles and compact regulations depend upon the local agents themselves. It is but a few days since we were reliably informed that an agent in a neighboring city wrote a policy on a stock of goods and then bought a dollar necktie, for which he paid six dollars out of his premium. That was a sample of a prevailing evasion of the rule prohibiting a division of commissions with the assured. If organized local agents neglect to deal with an evil of this gravity, which is of immediate concern, affecting themselves, and susceptible of correction by their earnest efforts, they can hardly expect the Pacific Insurance Union to make an untried experiment in behalf of men who will not help themselves.

Memorial of Local Underwriters' Union.

To the Officers and Members of the Pacific Insurance Union:

MR. PRESIDENT AND GENTLEMEN—As the cycle of time rolls around, all men, all institutions, all lines of business find a changed order of things forced upon them, and, in obedience to the great law of self-preservation, they must adapt themselves to the in-

evitable or sink beneath the onward rolling waves of progress.

In obedience to this law, to the signs of the times, and to the ceaseless appeal of "What shall we do to be saved?" that comes to us from the office of every conservative fire insurance company in the land: We, the Local Agents of California, did assemble in convention at the City of Stockton on the 15th day of September last, for the purpose of adding our mite towards the solution of a vexed problem; and, though our deliberations were limited as to time, and the magnitude of the subject was fully impressed upon us, yet, by an exchange of our individual ideas and experiences, we arrived at substantially the following conclusions:

First.—We believe that the old order of things has lived its day, and that the ancient style of management must conform to the present condition of the business or step down and out.

Second.—We believe that the agency system, as conducted up to the present day, has become inefficient and undesirable, and that it is chargeable with a larger percentage of our annual fire waste than all the other causes combined.

Third.—We believe that the elevation and full recognition of the local agent, as one of the main factors in the business of fire underwriting, will result in an increase in the volume of business, a reduction of the loss and the hazard and increase of profit, a reduction of cost to the assured, and a fair addition to our present lines of those God-given commodities—life, liberty and happiness. The right to live by our noble profession, and the liberty to so control the local field that it *shall produce a profit* to our companies, is the goal of our ambition. The happiness, less our commission, we give to you.

Fourth.—We believe that the compact system is the child of progress; but without us you are but an army of plumed officers, with no soldiers, no sappers or miners, and your organization is but a rope of sand. *But with us*, proud victory will perch upon your banners, and sweet peace plume her wings in all your offices. Your rope of sand will become a wrought-iron cable.

Believing this, we did, in convention assembled, pledge our earnest support and loyal devotion to the Pacific Insurance Union, and our best endeavors to make the compact system a success. But we recognize the fact that there are three interests which *must be satisfied* ere this can be attained.

First.—All the companies in the compact must realize an increased income with a reduction of labor and expense.

Second.—The local agent must realize the same benefit.

Third.—The assured must be taught that legitimate underwriting and fair rates are to his interest, and that, above all, our Association is in no sense a monopoly.

And we did also, in said convention, assume an unalienable right, and did cognominate ourselves, the Local Underwriters of California. And we did resolve that we would so educate our members, and reform all of our practices as to be worthy of the name, and win favor in your sight.

And now, therefore, in pursuance of the power to us delegated by the said Local Underwriters' Union, we, the Executive Committee thereof, do most earnestly pray that you will give due attention to all our solicitations, as we may from time to time present them; and that you will duly consider the object and purpose of our organization, and give us your countenance and support forthwith.

The committee feels that the axiom of "one thing at a time" must be their rule of action, and therefore beg to present for your consideration the first and most important point, the foundation upon which we shall build our house—and that is, our compensation.

We come to you as tired gleaners from a field overrun with rats. We do, and shall number in our ranks, every local agent of character and integrity, who earnestly desires to master the principles which underlie conservative underwriting.

We have the highest respect for the merchant, the doctor, the lawyer, the farmer or warehouseman, who accepts an agency, but we pity the cupidity which inspires him to take the paltry pittance from us, and lament the ignorance which blinds him to the

Insurance Co. of North America

OF PHILADELPHIA.

Organized A. D. 1794.

The Oldest and Largest Company in America.

Cash Capital, $3,000,000 00,

Cash Assets, 9,087,235 40,

Surplus, – 3,128,880 24.

Pennsylvania Fire Insurance Co.

OF PHILADELPHIA.

Organized A. D, 1825.

Cash Capital, $400,000 00,

Cash Assets, 2,378,918 23,

Surplus. - 901,771 86.

HUNT & MITCHELL,

General Agents for the Pacific Coast,

No. 313 CALIFORNIA STREET,

SAN FRANCISCO.

importance of having an expert to attend to the details of his most vital and important contract. We hold, and with all due respect, and to some exceptional cases, that an agent whose time is mostly taken up with other business cannot keep sufficiently well posted to properly and safely write for the companies or the assured. He cannot afford to devote the time necessary to fully weigh the moral or physical hazard. We assert that the multiplicity of agents so harasses us and eats into our legitimate income as to oftentimes drive us to such desperation, that we are inclined to write what ought to go unwritten. We assert that the laborer is worthy of his hire, and that the trained agent is worth more to you than all the army of little agents.

We assert that the agent who makes insurance a side issue, is not worth the same commission as we who devote our best energies to the business.

We assert that the table of profits on the business, as done by us, omitting the losses incurred by the small agent, or the company writing over the counter on something they know nothing of, warrants us in asking for a scaling of commissions as follows.

And believing that pay should be in proportion to the value of services rendered, we would respectfully suggest and ask that all agents' compensation be graded as follows:

Where the total receipts for all companies, per annum, in an agency, in excess of cancellations, return premiums and premiums received from sub-agents, do not exceed $1,000, the commission shall be ten per cent.

Where they exceed $1,000, and not over $2,500, 12½ per cent.; $2,500, and not over $5,000, 15 per cent.; $5,000, and not over $7,500, 17½ per cent.; and exceeding $7,500, 20 per cent. *Provided* that in the excepted cities, those agents whose premiums exceed $7,500, may receive the same commission as paid them at present.

In rendering monthly statements, commissions shall be calculated on the total receipts of the agency for the previous year, if an established agency; and if a new agency, settlements shall be on a commission basis of ten per cent., and the final commission be adjusted at the end of the year.

And we further ask, that on all business from the country, written in San Francisco, over the counter or through brokers, in an agent's district or town, an allowance of the difference between the brokerage and the commission be credited to him; but in no case shall such credit be less than five per cent. of the premium.

We earnestly solicit at your hands, by black-listing or othewise, the weeding out and final extinction of that class of local agents who misappropriate and embezzle the premiums or trust funds in their hands belonging to the companies, and making it unlawful for any member of the Union to employ such men in any capacity thereafter.

The extended credit system, peculiar to this coast, we suggest is an evil that should meet with speedy and corrective legislation at your hands, in which we pledge you in advance our earnest and hearty support of any curative measures of this kind you may adopt.

All of which is respectfully submitted.

THOS. W. DOHRMANN,
BRUCE T. LEE,
FRANK E. TADLOCK, JR.,
GEO. W. HAZZARD,
H. T. SMITH,
J. R. FULLER,
L. W. HILLIKER,
E. K. ALSIP,
T. S. MONTGOMERY,
Executive Committee Local Underwriters' Union.

N. GRIFFIN, President.
HENRY H. MCCLOSKEY, Secretary,
E. W. FOGG, Vice-Pres.
A. LEONARD, " "

A literary tyro has sent a letter 3,000 miles across the continent, to call the attention of the COAST REVIEW to a miscredit in last month's issue. "*Exchange*," added through an oversight, should have been—well, something else. The author of the four-line jingle must for the present remain unknown to fame.

A Local Criticises the Locals' Memorial.

LOS ANGELES, Oct. 24, 1885.

EDITOR COAST REVIEW—Having long been in favor of an organization of local agents throughout the State, had it been possible I should have attended the Stockton Convention, at which was formed the organization, which, to quote the memorial since issued by the Executive Committee, "did cognominate ourselves the Local Underwriters of California." The objects indicated by that paper have my hearty approval; the evils which it would remove press no less heavily upon me than upon the most earnest of the members of the new Union; but my interest in the attainment of the end proposed makes me the more sensitive to what appears to me radically wrong in the means advocated; and, since the best medium through which to reach those most interested in the subject is the COAST REVIEW, I am constrained to ask of you the use of a part of your space.

SCALED COMMISSIONS.

To quote once more: "The foundation upon which we shall build our house is a scale of commission to local agents so that the rates shall be in proportion to the amount of premium received by them respectively; thus, he whose premiums in a year are $1,000 or less, shall be paid at the rate of 10 per cent., and he whose receipts are between $1,000 and $2,500, shall have 12½ per cent.; and so on to 20 per cent. on over $7,500." This is the specific off red. The argument in its favor is condensed by the committee into a few words, the justice of which is indisputable: "pay should be in proportion to the value of the services rendered" but with the manner in which this axiom is applied I am obliged to take issue.

The items which make up the value of the agent's services are two: quantity and quality. The old-time farmer had but one standard by which to measure the value of the lacteal product of a cow, the quart-measure—the modern adds the lactometer; by using both are determined quantity and quality. But, when our committee has measured the quantity of services by the table of premiums, it proceeds to gauge the value of them by the same standard. But need it be said that the agents whose statements show the largest sums are not invariably the most valuable to their companies—that the net gains from the business are not necessarily in proportion to the premiums? Would the biographies of all

THE "RUSTLERS"

who, in times past, have flourished and fallen, be such as are most creditable to the profession? Are the subjects of them now enjoying their well-earned ease within easy reach of San Francisco? Has not the place of many a one of them been filled by one who then was a "little" agent? Is it not well known that there are "big" agents who owe their retention to that trust in blind luck that leads general agents to hope against hope to enjoy for a time the benefit of their energy, and escape the results of their excessive devotion to premium getting? We are told that the agent "whose time is mostly taken up with other business cannot devote the time necessary to fully weigh the moral or physical hazard." Most true; even when that other business is a steeple-chase for gross premiums. And the committee's plan offers "extraordinary inducements" to this pursuit.

The committee further declare that "the agency system, as conducted up to the present day, is chargeable with a larger percentage of fire waste than all the other causes combined" Admitting the truth of this statement, with such allowance as each reader may choose to make, it is owing to the lack of knowledge, care and honesty on the part of agents. Having attempted to show that the smaller agents are not peculiarly liable to this charge, the next objection to the plan proposed, as it strikes me, is that it is sure to increase the evil.

COMPENSATION.

Among the chief causes universally admitted to demoralize agents, is the prevailing custom of paying them by flat commissions; and few subjects have received more considera ion than that of paying by partly contingent commissions. But even this

proposal may be said to have been generally abandoned, the evils inevitably to follow in its train being greater than those it was hoped to remove. The present plan, by making compensation depend on commission alone, offers, it is true, a premium on over-insuring and accepting doubtful risks; but what can be said of a project, which, to that incentive, adds the indefinitely greater of arousing the hope that the risk offered, if accepted, may be the very one, the premium on which will turn the scale that shall raise every commission, past and future, for the whole year, 2½ per cent.? Is it not admirably, though unintentionally, adapted to increase the antagonism of apparent interest between the agent and his company, and supply increased inducement to incendiarism on the part of the assured? And the only argument to support this plan is founded on the baseless theory that the care, prudence, knowledge and virtue of an agent are in proportion to his premiums.

LET US BE JUST.

One other reason for opposing the committee's suggestion is this: While no person has better evidence of the evils incident to the excess of agents, and is more desirous of reducing and keeping down the number than I, I am forced to recognize the fact that all honest and faithful agents have rights, not measured by their success as solicitors or the length of their service, but equal. And the scheme, plainly to be read between the lines of the committee's report, to starve out the smaller of them by inadequate compensation, has no charms for me. We suffer, the business suffers, from there being too many of us. Time was when the business of insurance agent was one of the most respectable and respected; now the throng of insurance agents that besiege the unfortunate owner of a load of lumber just dumped on a hitherto vacant lot, or the lessee of a new store, can only be compared (though the comparison may be odious and extravagant) to the mob of howling beggars that tread on the heels of the well dressed passenger who lands in Cork. We are a nuisance to property-owners by the persistency with which we follow up the owners of a possible risk. (It may be said by way of apology for this excessive zeal in the pursuit of a noble profession and a $5 premium, that the enthusiasm was kindled by reading H. M. Grant's remarks on soliciting in his able paper on Local Agents, presented at last meeting of the Underwriters' Association of the Pacific.)

COMPETITION NOT LESSENED.

But, regret this state of things as we may, we should not forget that, as unwelcome as he may be, the last-comer has his right to a fair compensation for his services, and so has the "littlest" agent of all. And, again, if we would free ourselves of competition by "the merchant, the doctor, the lawyer, the farmer or warehouseman," the means proposed will have the opposite effect. Either the insurance business of each of the individuals of these classes is so small that it counts for very little, or it is worth enough for them to keep it even at low rates; it occupies only their spare time; it affords a comfortable little addition to their income from the other business to which they look for support. But as to the young man, starting out in life with a noble ambition to devote himself to the glorious pursuit of legitimate underwriting, trusting to some future, perhaps very distant day, to have his name enrolled among those "with whom"—to allow myself once more the æsthetic delight of quoting from the memorial—"proud victory will perch upon your banners, and sweet peace plume her wings in all your offices!" Alas, sad to say, ambition is a poor substitute for even hash, and the "spring"liest chicken that ever, entombed in yielding junks in the traveler's stomach, causes the vigils of the night to extend until the rosy hue of the first cocktail illumes the morning bar, affords more nutriment than contemplation of all the victories, peaces and other fowl that hope sees roosting on banners or picking dainty tidbits from their wings in the offices of members of the P. I. U. (In fact, gentlemen, I beg that you will "shoo" them out if such birds try to fly into your offices—it makes me feel craw-ly to stand under a pigeon-roost.)

LOS ANGELES AGENTS.

But to return: If any agents suffer from the evils which the committee wish to re-

move, those in Los Angeles are among the most afflicted. A few years ago half a dozen of us were able to earn a good living and modestly entertain the specials and the occasional general agent, whose benignant affability or gracious magnificence elevated our souls, as they paid us a passing visit. Now—but why need I harrow up our sensibilities by dwelling on the difference! For a while gradually, then and now, with triplet-like fecundity, new babes in the business are added to our swelling numbers. Of course, with as many companies as supply the needs of San Francisco—or of a tin-sign covered cross-roads store—it goes without saying that a very few can live from their share of the microscopic subdivision of the premiums. And, to add to this unnecessary and eventually destructive multiplication, some companies are establishing mongrel districts, with a special, a manager, a city agent and sub-agents—devoting to the ruin of the insurance business of this devoted city, an establishment which, in the number and assorted titles of its employees, is likely to equal the retinue which a cardinal and archbishop find necessary for the salvation of a city. It is not necessary to comment on a course of proceeding calculated to override a provision of the constitution by appointing unlimited agents instead of one solicitor, and which would necessarily be abandoned in twenty-four hours were even half of the members of the Pacific Insurance Union to adopt the same plan. When cupidity thus controls, appeals to nobler motives are in vain.

NO STARVATION STRUGGLE.

But I have no faith in any plan the object of which is to force, by a constitutional amendment, those who are responsible for the present state of affairs at once to undo their own doing. And it is useless to try to persuade the great body of the locals, even of the most prosperous of them, to attempt to crowd out their less prosperous brethren. Not yet have we reached that over-mastering selfishness of starvation, when, like long-wrecked sailors, the stronger consult as to which of the weaker must supply them with food.

Nor do I believe that permanent good would follow the other interlined suggestion—that, to increase their rates, agents would form partnerships, and thus there would be fewer agencies. Even partnerships based on mutual esteem and with common interests, are constantly dissolving; but one into which the members feel forced for what they believe a very temporary purpose, and in which each has a natural inclination to look after the companies which he contributed to the joint stock—such a partnership would be of few days and full of trouble.

ANOTHER PLAN.

No; my plan is slower, but it cannot be less practicable than the other, and it is based on an acknowledgment of the rights of all. It would deal with the general agents and the locals, one by one, not by arbitrarily segregated classes. Changes in locals are constantly making. I would try to make more vivid to the general agent what a study of his own books must show, that efforts generally end in failure, which start in the business men, as full of ignorance as of enthusiasm, and who have not even learned that truth which brings the first tidings of despair to many of the class, that castles in the air are not insurable. I would urge upon them to be influenced more than they have been by the considerations which they feel, if it has not had too little effect upon them, far more keenly than we do, that not necessarily the smartest rustler is the most profitable agent. With each appointment the question should be considered, who of all the agents in town are the best fitted for the business, and an attempt made to induce one of them to take the agency. We are dealing with a chronic disease. It may yield to long and judicious treatment. It is not to be cured by hacking off a limb.

And, then, the better class of locals have something to do. They must be willing to recognize the fact that the smallest companies want, and will try to get, a share of the business. Many of the new comers are offered to well established agencies, and refused. But if these will not divide with them, the assured will. Which is best for them and their companies, one more

company in each office or a new agency in town?

THE NEED OF CAUTION.

The more carefully one considers this subject, the more the intricacy and difficulty of it appears, and the greater need of caution and discrimination on the part of all interested in dealing with each case as it arises. Inspired by wise foresight and sound principles, the more futile seems any plan that is based on selfishness. Gradually may the worst elements be eliminated from the business and supplied by better, but those whose premiums now are largest may not prove the fittest to survive.

I join with those who have followed me thus far, if such there be, in wishing that the way had not been so long; but I believe in the need of a local agents' organization, whether on the plan of that formed at Stockton, or composed of delegates from the local unions; and my sense of its usefulness to every branch of the guild, and of the importance of a right start, compels me to point out, what appears to me the unwisdom and unworthiness of what is put forth as the basis of its future action on an important topic. If wrong, I shall be glad to be set right. G. F. McL.

The Fraternal Insurance Societies and their Organ, the "Call."

EDITOR COAST REVIEW: Under the heading of Fraternal Index, the San Francisco *Call*, in reply to an inquiry of a correspondent, says, "it cannot be true of any legitimate fraternal co-operative society, should it ever stop business, that it has defrauded its members." No honest man, with the intelligence of the editor of the Fraternal Index, would ever make such an assertion. The jeweller who would sell pinchbeck for gold, or paste for diamonds, is guilty of fraud, and should be punished, and should a legitimate fraternal co-operative society ever stop business, the "Fraternal Index" will be regarded as one of the greatest frauds of the age.

Those who join assessment insurance organizations, because they cannot afford the cost of sound insurance, and must therefore take what they can get, are entitled to our sympathy. They prefer

TEMPORARY PROTECTION

For their loved ones to none at all. The desire to protect his wife and little ones from want, when he himself may be removed by death, is one of the holiest and most unselfish impulses of a man's nature, and should not be imposed on. Life insurance, like any other commodity, should be sold for just what it is, and it is not only criminal but cruel to deceive a man into believing that he is getting sound and permanent insurance, when in fact he is getting either no insurance at all or that of the most temporary nature. And yet there are hundreds of people engaged in this contemptible business, knowingly, and for coin, the daily press either aiding them (for coin also), or else too cowardly to expose their deceptions. I am opposed to any

LEGISLATIVE INTERFERENCE

With these societies beyond what is necessary to keep them honest. They have their good points, and the inexorable law of mortality is amply sufficient to expose their weak ones in due time; but these men who are deceiving the public, and trading upon their holiest affections, should be shown up in their true character, and their deceptions exposed.

The Fraternal Index of the San Francisco *Call* has done more to blind and deceive the public on the question of life insurance than any other publication on this Coast. Almost every issue contains an article for this purpose, and it would be an insult to the intelligence of the editor of that department to say that he does not know his utterances to be either

FALSE OR DECEPTIVE.

He seems to think that no one will dispute or question his statements, backed up as they are by authorities which are either twisted to suit his purpose, or which have no existence save in his own brain. Where did he procure the records of the Masonic fraternity which prove that the death rate remains at one per cent. annually? Masonry and Odd Fellowship have no bearing whatever on life insurance, but they answer his purpose better than the actual experi-

ence of life insurance companies or insured lives, and therefore he either ignores or ridicules the latter, while he sticks to the former religiously in order to build up his theory that his favorite orders can give $2,000 insurance for $20 per year. He never enlightens his dupes as to the reason why the supreme jurisdiction of the A. O. U. W. cannot do it, and why the order at large has to be taxed year after year to help it out of its difficulties.

SCANDALOUS FALSEHOODS.

The editor of the Fraternal Index constantly deprecates the policy of attacking "old line" companies in order to build up co-operatives, but he unblushingly conveys the impression that the largest company in the United States has in a period of 38 years paid for expenses the sum of $111,638,772.55 out of $218,642,179.57 received for premiums. The *Fraternal Record* and *Pacific States Watchman*, following the lead of the *Call*, assert that the report of the Insurance Commissioner of the State of Massachusetts shows that the regular companies paid out for expenses in 1882, 53.43 per cent. of their income. These publications also assert that the experience of the regular companies has established the fact that the annual death rate does not go beyond ten in a thousand. Let any one examine the aforesaid Massachusetts report, and he will there find that these statements are false.

ENGLISH FRIENDLY SOCIETIES.

Another favorite deception of these publications, and one that captures many a victim, is the assertion that some 60 societies in England, similar to those under discussion, have been in existence for over 100 years. The *London Review* ought to know something on this subject, and in discussing these American societies, it says: "We may at once state that there are no such societies as those to which we now refer, in operation in this country in any shape or form." And again: "For American speculators to assert that societies are working in England, and have worked solvently and honestly for a long period of time, upon principles similar to those of the co-operative life assurance societies with which we are now dealing, is nothing more nor less than a deliberate falsehood, invented and circulated for the sole purpose of swindling those who may happen to believe in it."

This is plain language, but it might go further and say that such swindling is about the meanest and cruelest that could be devised. Will the *United Friends Journal* please investigate this subject, and see if its late utterances do not need correction?

THE ONLY SAFE GUIDE.

Such societies as the Odd Fellows and Masons cut no figure in life insurance calculations, neither does the total death rate in large cities. The conditions are entirely different. The only safe guide is the actual experience on insured lives, and that is just what these men persistently ignore or ridicule, well knowing that their occupation would be gone if the public fully understood it.

In the face of such deceptions as I have mentioned (and these are far from including all), how can an honest man make the assertion quoted at the beginning of this letter?

The large fraternal orders are perhaps the best substitute that could be devised for those who cannot afford the cost of sound life insurance. They are, as a rule, honestly managed, and give their members full value for their money for the time being. But to represent them to be what they are not, is criminal, and must lead to disappointment for all, and to the great injury of a very large number, who are able to pay for sound insurance, and who are led to believe they are getting it, but who will find out the deceptions practiced on them when too late to obtain insurance at any cost.

SWINDLING IMITATORS.

The great success of some of these orders has started into existence a swarm of assessment companies, which have been organized for the sole purpose of swindling the public and enriching the managers. These concerns should be summarily squelched, and their managers and agents set to breaking stones for the State. Our own State is overrun with them, both of home and foreign manufacture, and strange to say, many prefer them to the honestly managed fraternal orders. Barnum said, "the American peo-

ple like to be swindled." It would seem so, and the more glaring the swindle, the more victims.

Mr. L. G. Fouse, President and Actuary of a successful co-operative in Philadelphia, writes as follows to the Secretary of the Illinois Masons Benevolent Society, another co-operative which has found out the errors of the system, and is endeavoring to correct them:

"It is always gratifying to me to find men that have the courage of their conviction. *I can safely say that fifty per cent. of the managers of level per capita rate assessment, or co-operative societies, know that with such rates they can only furnish temporary insurance, and that disappointment and disaster await their members.* And yet for want of courage and manhood to acknowledge their early ignorance of the science of insurance, these managers go on lulling their members in the delusion that *the infusion of 'new blood' will lessen the death rate of the aged members.* I consider it criminal deception in thus misleading the honest sons of toil who are endeavoring to provide a competency for their dependents.'

This shows what an *honest* co-worker in the cause of co-operative insurance thinks of such men as I am discussing. X.

About the Mutual Reserve Fund Life Association.

We clip the following from an advertisement of the Mutual Reserve Fund Life Association of New York in the Prescott (Arizona) *Journal Miner:*

Referring to an article in the August number of the Coast Review, published in San Francisco, and being industriously used to the injury of the above named Association, let the official and authoritative statement, as above presented, be sufficient answer to the falsehoods uttered in said article.

"The official and authoritative statement," which is held to be a "sufficient answer" to the COAST REVIEW, is an extract from the report of the examining committee appointed by the New York Insurance Department. Neither this extract nor the abbreviated statement can be accepted as an answer to any statement in the article in the August number of this journal. We quoted from the report of the examining committee, and reiterate briefly as follows:

The Department reports that until very recently the books and accounts were so badly kept that the examiners could not verify the receipts for dues. "The system of payments and retention of vouchers has also been very loose."

The system of medical examinations was pronounced to be "lax and insufficient." In the summer of 1881, this association reinsured 106 members of a mutual aid society without subjecting them to a medical examination, although none of them had ever been examined. In December, 1882, the associatiation reinsured 1,430 members of a Baltimore mutual endowment association without the usual medical examination.

The assets are reported to be $1,061,292, and the liabilities $534,796. But the assets include $553,500 of "collectable" assessment dues. That reduces the tangible assets to $507,792, or less than the liabilities.

Of the ninety-one unpaid claims, twenty or twenty-two per cent. are resisted for fraud or lapsing of policy. The aggregate of the unpaid claims is $447,000.

The medical examiner calls attention to the fact that the association carries a very large number of risks at advanced ages, "in excess proportionately of its seniors in business."

The general agent of the association, in his advertisement, does not quote these extracts, nor does he attempt to explain them.

We may state here, incidentally, that the managers of the association have never published the report of the examining committee in full. They dare not do it, yet, publishing extracts themselves, they had the supreme impudence to make threats in their organ, *Our Society Journal*, if insurance journals should print extracts, and not the full report of the committee.

These indubitable evidences of the litigious character of the association, of the laxity of its system of medical examinations, of the intangibility of its assets, and of unbusinesslike practices, the managers have made every effort to suppress and discredit. The examining committee said something to the credit of the association, it is true, but they also said much that was damaging in their report, and that is what hurts.

Lyman W. Briggs, the organizer and Vice-President of the American Surety Co. of New York, has resigned. Ill health is assigned as the reason.

Beyond the Rockies.

Bullwinkle, superintendent of the Chicago underwriters' fire patrol, has resigned. He was a first-class officer, and knew it, and let the fire department fellows know that he knew it. This created some unpleasantness, and in a measure antagonized the two departments. Men tolerate ability in other men as long as they exhibit no conceit. Mr. B. will retire to his Arizona cattle ranch.

The valued-policy demagogues of New Hampshire are howling for the removal of Commissioner Pillsbury because he was faithful to his convictions and opposed the vicious insurance legislation recently enacted. In a letter to a member of the Georgia legislature, he denounced the valued-policy law bitterly, declaring that it debauches public morals and oppresses honest people that rogues may thrive. Every jackass in the little Granite State is braying furiously, and every rogue with designs on insurance companies adds his bark to the chorus.

Tables of the experiences of German life offices, as compared with the mortality tables, are summarized as follows.

	Prussia.	Berlin.	Hamburg.
TOTAL ACTUAL DURATION.			
Males	70·00	68·07	68·80
Females	72·88	73·95	74·97
TOTAL ESTIMATED DURATION.			
Males	69·42	67·91	68·56
Females	71·61	72·38	73·25

The reader will observe that female lives are longer than male lives.

A step has been taken by one of the great mutual marine insurance organizations of the north of England, according to the *Engineer*, which may prove of the utmost importance in regard to the future of steam-shipping. The Tyne and Wear Steamship Insurance Association has passed a resolution which is to the effect that a minimum number of men shall be assigned to each vessel, having regard to the size and type of the ship, and to the trade in which she is employed. If an insured vessel be sent to sea with a smaller number than that so assigned to her and agreed upon at the commencement of the policy, the vessel shall "be deemed unseaworthy, and no insurance shall be paid in the event of loss, where such loss shall have been directly attributable to under-manning." It is a resolution which points to a new departure in marine insurance—one in which the insurers will claim to have more to say as to the number and classes of the crew, as well as the condition and trade of the vessel.

The firemen of London are obliged to yell like fiends as they plunge over the narrow roads of the city to fires, having no other means of warning pedestrians of their coming. Instead of a bell, such as is used in America, all hands up with their palms to their mouths and give vent to a series of simultaneous shrieks, shouts, screams and whoopings.

The record of heavy losses now agitating marine insurance circles in Liverpool is a bitter pill for the underwriters to swallow. Among the more prominent we have the steamer *Hermes*, bound from Liverpool to River Platte, with a general cargo, £90,000; the *Gulf of Carpentaria*, from Sydney to London, with wool, £80,000; the steamer *Dalmatia*, from Rangoon, with a rice cargo, £35,000; and the *Corona*, from Cardiff to Singapore, with coals, £30,000. In addition to these there are many other losses for smaller though considerable sums, that should be added to the black list; and the absence of all news respecting several vessels that are greatly overdue is a further cause of alarm and anxiety to the underwriting body.—*London paper.*

A German sanitary periodical publishes the results of the influence of wealth on mortality in a German city. With persons having the meagre annual income of from nothing to 600 marks, there was a mortality of 3·17 per cent.; of from 600 to 1,500 marks, a mortality of 2·79 per cent.; of from 1,500 to 3,000 marks, a mortality of 2·14 per cent., and above 3,000 marks the mortality was 1·71 per cent.

The valued-policy bill before the Georgia legislature was defeated by a vote ot 98 to

43. The exodus from New Hampshire has not been without some good fruit already.

Just a month ago the dailies announced a $15,000,000 fire in London. The English papers since received inform us that the actual loss was less than a million and a half, and the insurance loss about half that sum. The manner in which the fire was handled by the brigade showed inefficiency. The London *Review* says: "We are strongly of opinion that the system adopted by Captain Shaw has for many years been radically defective; and, although it may seem odd to say so, we think if the force were a little less what is called thoroughly disciplined, it might do better work. We do not think there is any time for saluting superiors when a great fire demands attention; and with regard to canvas hose, we maintain that an entirely erroneous principle is adopted. That the brigade is undermanned is of course well known; that it is most injudiciously distributed is perfectly certain. Why seven or eight branches should be playing on a mass of practically dead stuff when a live fire was raging a few yards off, it is difficult to comprehend. The canvas hose, so much belauded, but which has to be so gingerly handled in the matter of steam pressure, is another affair."

Pennsylvania is entitled to the "honor" of the newest thing in the line of assessment insurance. It is "birth insurance." There are such companies as the "Poor Man's Birth Insurance Company," and the "Family Birth and Beneficial Society." Members are said to be put into classes of 500, who are assessed 25 cents each whenever a birth occurs in the family of a member. One hundred dollars is promised to the child's parents, and the remaining $25 is to pay for expenses.

Hostile Insurance Legislation and the Duties of Insurance Commissioners.

Insurance Superintendent McCall, of New York, in his address to the convention of Insurance Commissioners at Chicago recently, referred as follows to hurtful insurance legislation and their duties as State officials:

"Great anxiety is shown for the convening of legislative bodies, that embryo 'statesmen' may be given an opportunity to hit the bloodless corporations, and in thus "striking" them, they usually convey, with their ignorance of the subject in question, an intention that cannot be misunderstood. Fortunately the people are beginning to understand the motives underlying these raids, and now, with the aid of an enlightened press, the injury that heretofore was the result of such attacks, is now averted. How shall we act in such cases, and what shall our methods be in dealing therewith? There is open the course of being non-committal, and assuming that our duty is fulfilled by carrying out whatever laws may be placed on the statute books. True it is, that in this way we may shelter ourselves from responsibility, but is not such an evasion an unmanly retreat? Are we required, when what we believe to be blackmailing attacks are made on the companies, to stand idle and forfeit manhood in order to gain the political friendship of men whom we are bound by their actions to despise personally? No! that is not my estimation of right, nor do I believe that in it is compliance with my oath of office. I hold that if a bad measure is introduced or an unwise proposition offered, no matter whether it emanates from a company or an individual, we are required to denounce it and defeat its adoption in every honorable way.

"Minnesota, Texas and New Hampshire have been conspicuous in these movements, thus showing that they are not the result of territorial prejudices, extending as they do, to the several extreme sections of the country. The Granite State bears the palm of passing the most obnoxious measures of the year. No excuse can be offered that its action was not well considered, or was the result of unenlightened judgment. Its 'combination act,' first, providing a penalty for the removal of suits to the courts of the United States; second, establishing as the value of property totally destroyed, the amount of the insurance thereon, and third, making a policy worded by the Insurance

Commissioner the only contract which a company can issue, is such as to call for the severest condemnation, and the manly response to which is found in the prompt and united action that characterized the withdrawal of all the companies from that State. No other course was open in the face of a law that was 'a prospective bid for arson and fraud.' It is yet a question whether the companies are not bound in justice to their stockholders and policyholders in other States to cancel all outstanding risks in the State. That would be the heroic way of dealing with the dangers of such measures, and it might possibly convey to the representatives (?) of the Granite State people the information that the companies are not incorporated to be the accessories of crime."

The Life Insurance Record.

A recent number of the *Insurance Journal*, of Hartford, contains a summary of the life experience of twenty-two American companies, bringing it down to January 1, 1885, as follows:

DEALINGS WITH POLICYHOLDERS SINCE ORGANIZATION.

	Premium receipts since organization.	Paid Policy Holders.	Invested for Policy Holders.
Ætna.....	$74,142,682	$54,358,645	$28,771,230
Berkshire.....	9,585,187	6,669,273	3,750,194
Brooklyn.....	7,979,294	5,607,346	1,452,959
Conn. Mutual.	137,738,384	112,472,537	53,447,335
Continental...	9,788,149	6,350,075	2,125,142
Equitable.....	136,158,671	85,772,990	58,061,926
Germania.....	25,837,832	16,132,113	10,713,146
Home.....	13,866,361	9,497,568	5,353,169
J. Hancock...	9,736,224	6,490,972	2,641,506
Manhattan....	30,334,581	22,835,239	10,982,952
Mass. Mutual.	20,405,672	13,748,898	7,591,814
Metropolitan..	15,154,671	8,293,246	1,853,064
Mut. Benefit...	102,268,306	83,672,054	38,677,591
Mutual.....	270,991,582	216,094,209	103,876,179
New E. Mut...	46,806,466	38,190,510	17,110,648
New York.....	130,469,282	91,206,327	59,283,754
N'western... .	48,579,478	34,135,076	22,612,624
Penn Mutual..	21,792,640	15,118,851	9,705,024
Phœnix Mut..	32 864,439	23,762,761	10,551,256
Travelers.....	8,183,295	3,016,723	5,117,600
Union Mut....	27,308,007	20,833,479	6,345,520
U. States.....	17,085,432	12,13 ,5?0	4,782,441
	$1,197,076,635	$886,391,417	$464,807,074

The amount returned to policyholders by these twenty-two companies is $310,685,218 (or about 25 per cent.) less than the amount received in premiums; but the amount standing to the credit of the policyholders, and invested for them, is a still greater sum —$464,807,074. In addition to paying all expenses, the companies, since organization, have returned to and hold in trust for policyholders the immense sum of $154,-121,856 in excess of all premium receipts. This magnificent result is due to a correct plan, skill in management, and the accumulating power of compound interest.

The record for 1884, of the twenty-two companies, is as follows:

BUSINESS OF 1884.

	Premiums, 1884	Paid P'lic'h'ld'r 1884.	Payments over Premiums.	Premiums over Payments.
Ætna.....	$2,688,320	$2,960,728	$272,408	.....
Berkshire....	597,544	565,955	.....	$31,589
Brooklyn....	138,971	131,343	.....	7,628
Conn. Mutu'l	4,707,437	5,512,307	804,870	.....
Continental..	195,411	244,332	49,791	.....
Equitable....	12,031,330	7,194,787	.....	4,836,543
Germania...	1,561,660	1,261,675	.....	299,985
Home.....	563,353	517,321	.....	46.032
John Hanc'k	547,053	388,775	.....	158,283
Manhattan..	1,035,624	1,077,715	42,091	.....
Mass. Mut'l.	1,043,292	797,966	.....	250,326
Metropolitan	2,811,816	1,221,228	....	1,590,588
Mut. Benefit	4,347,966	4,118,965	.....	229,001
Mutual.....	13,850,258	13,923,062	72,804	.....
N. E. Mut'al	2,003,657	2,176,902	173,245	.....
New York...	10,959,363	6,734,955	.....	4,224,408
Northwest'n.	3,376,776	2,485,969	.....	890,807
Penn Mutual	1,642,314	1,037,521	.....	604,793
Phœnix M't'l	719,089	1,144,254	425,165	. .....
Travelers'....	758,741	349,084	.....	403,657
Union Mut'l.	718,179	668,878	.....	49,301
Un't'd States	656,353	636,149	.....	20,210
	$67,009,513	$55,199,921	$1,839,554	$13,649,115

Over-Insurance against Public Policy.

At the recent meeting of the Insurance Commissioners in Chicago, the Committee on Resolutions submitted the following, which was adopted unanimously:

Resolved, That insurance is indemnity, and over-insurance, which enables the owner of property to recover more than its value, is inducement to crime. It is therefore the sense of this Convention that laws which compel the payment of the full amount written in the contract of insurance, though the actual loss be shown to be less, are repugnant to just insurance principles and to

enlightened public policy. If abuses exist under the operation of the open contract of indemnity insurance, they may be better reformed by other modes than by arbitrary legislation. That, in our judgment, one of the principal reasons for the unfriendly attitude assumed by legislative bodies toward fire insurance companies lies in the fact that the companies write, not as a rule, perhaps, but too generally, policies in excess of the value of the property assured, and as a consequence collect excessive premiums thereon. In case of loss, the assured who receives less than the face of his policy naturally feels that he has been charged too great a premium, and that an injustice has been done him, and this though he may be in part at least at fault for the over-insurance. We therefore heartily condemn the practice of over-insurance as equally unwise and against public policy, as well as subversive of good business principles. We respectfully urge upon the attention of lawmakers that laws designed to arbitrarily control the conduct of the business of insurance, however well intentioned, if ill judged or erected upon prejudice or insufficient consideration of their practical effect, though apparently correct in theory, are likely to produce greater evils than those they aim to reform.

Mutual Endowment Association of Oakland.

——— Cal., Nov. 2, 1885.

EDITOR COAST REVIEW.—Please excuse the question I ask. A gentleman has been here representing the Mutual Endowment Association of Oakland. The said association offered so many good inducements that I took the agency. I do not see that it has any capital. Please inform me as to the financial standing of said association. Enclosed find leaflet. Please keep this private.

Respectfully, M.

The Mutual Endowment Association of Oakland has no financial standing. It has no capital nor assets. Under a liberal construction of the law it may be authorized to transact business, but such authority is no guarantee of the character of the management, nor of the ability of the association to execute any of its contracts. It is a good company to let alone.

The Mutual Endowment Association of Oakland is a new scheme in assessment assurance, with fewer chances of long life than the average. The managers take up collections—called assesments—at frequent intervals. After paying expenses, the remainder, we suppose, is paid to claimants. It is a curious fact, seemingly overlooked, that these collections are always sufficient to pay expenses without discount. The salaries are never scaled, and as long as this is the case, the managers may be excused for their unbounded faith in the enterprise. The claimant who is compelled to accept a half, third or fourth of his claim, is an ungrateful person if he or she complains of this inequity. Of course the claimant expected the full amount of the insurance, but such extravagant expectations are not warranted by the contract of insurance. He or she may think it strange that the salaries of the officers and other expenses should be paid in full, while claimants must take what they can get; but such thoughts merely attest the verdancy of the thinker. Assessment assurance associations are organized for the benefit of the officers, not for the benefit of its members; and when this fact is realized, disappointed claimants will readily recognize the justice of a system that pays the salaries of the former and discounts the claims of the latter.

If our correspondent is indifferent to his reputation among his neighbors; if he does not care if his friends get no return for the money they invest in the new endowment co-operative; if he is willing to be the instrument by which the families of some of these friends will be cheated of real insurance, then he will do well to accept the agency of the hat-passer, and pocket a few paltry commissions.

A silver dollar weighs very nearly an ounce. Hence any letter not heavier than a dollar can go for a single 2-cent stamp. A 5-cent piece added will give the ounce. If you have not the silver dollar, five nickels and a small copper cent will give an ounce.

Anglo-Nevada Assurance Corporation.

The certificate of incorporation of the Anglo-Nevada Assurance Corporation has been filed within the last few days. The capital is $2,000,000, twenty-five per cent. payable on allotment, and the balance payable at stated periods within the next twelve months.

The demand for the stock of this corporation is unprecedented in the annals of insurance companies on the Pacific Coast. The original intention of the projectors was to make the capital $1,000,000, but so many of our local capitalists applied, that the original amount was subscribed for before the scheme had obtained publicity, and as it was considered advisable to make the list of stockholders an extensive one rather than confine it to a few, a further increase of capital was decided upon, with the result that in less than one week, more than 20,000 shares were applied for.

It is the intention of the corporation to transact a fire and marine business. The fire branch will be confined to the principal cities west of the Rocky Mountains until the business is thoroughly organized, when an extension will be made throughout the other portions of the United States. The marine branch, it is anticipated, will be of an extensive character, and will embrace every branch of the business that judicious underwriting can suggest.

The directors for the first twelve months will be J. B. Haggin, W. F. Whittier, E. E. Eyre, J. Rosenfeld, J. Greenebaum, E. Griffith, J. L. Flood, G. L. Brander, Louis Sloss, J. W. Mackey, W. Greer Harrison.

At this writing the directors have not met for organization, but it is understood that the officers of the corporation will be as follows: W. Greer Harrison, President and Manager; J. L. Flood, Vice-President; C. P. Farnfield, Secretary; G. S. Angus, Assistant Manager.

This should prove a strong management. The President, although he has been more closely associated with the marine branch of the business as manager on this Coast of the Thames and Mersey Insurance Company, is well posted in the business of underwriting in both its branches. In the fire department he will be ably seconded by Secretary Farnfield, who is well known, not only on this Coast, but in the East, as the General Agent of the Union Insurance Company of San Francisco.

With a capital of $2,000,000, a sound financier is necessary, and this has been found in the Assistant Manager, for many years cashier of the Nevada Bank.

It is anticipated that all arrangements will be made so that business can be commenced with the new year at the offices of the association, 410 Pine street, which are being fitted up in a style worthy of one of the very few companies organized in the United States with a starting capital of this magnitude.

We wish the new corporation every success, and are convinced that by careful management it will attain that position in the underwriting fraternity that its initial efforts prophesy.

There are all manner of rumors in circulation on our streets as to the field men who are to plant the Anglo-Nevada throughout the Coast, and a number of gentlemen have actually been appointed by those who know more of the plans of the company than its promoters. Thus far no one has been selected to fill the numerous subordinate positions.

Death of President Franklin of the New York Life Ins. Co.

Morris Franklin, the venerable President of the New York Life Insurance Company, died on October 22, at the age of eighty-four years. Mr. Franklin became the President of the New York Life in 1848, and for many years was the real director of the affairs of that great company. Within the past ten years he has been simply the titular President, Mr. Beers, the Vice President, being the controlling spirit.

Mr. Franklin was a lawyer in his early manhood. He was also something of a politician, and a very enthusiastic Whig. In 1845, he and several friends purchased a controlling interest in the capital stock of the Nautilus Life Ins. Co., which was afterwards reorganized as the New York Life

Ins. Co. Mr. Franklin was the third President of the company, and it was to his executive ability that much of its great success was due.

The death of Mr. Franklin will in no way affect the interests of the New York Life, for his probable successor, Vice President Beers, as already stated, has been the directing mind of the company for many years past.

Mortality, Income and Reserve.

When a company insures a life it makes the contract of insurance upon a calculation (1) when death will occur and the policy become payable, and (2) the amount of premium payments and the income thereof, that will accrue before the policy is payable. If these calculations are justified by the event, the company will be able to perform its contracts, as the fund provided for the payment of the debt will be sufficient to pay the debt when due, and the cash assets or "reserve" it must hold at any time, to assure its ability, is a simple matter of arithmetic; subject to the obvious qualification that the company expenses are met by the expense part of the premium, or other revenue, so that the insurance part of the premium, with accretions, is kept intact for its designed use, and that no portion of the reserve principal is lost, which implies safe investment. But should the debt fall due earlier than expected, the company is impaired in its ability to meet its obligations. Hence the vital importance to the solvency of a life insurance company that its death rate prove not greater, nor its income less, than the calculations which are the base of its contracts. Of course reference is had to the average of the mass, and not the individual case. The duration of a single life is most uncertain, but the longevity of a community of healthy lives is capable of near compution.

Some of our companies in their mortality estimates use the Actuaries' table, and others use the American Experience table. As between these the difference is too slight to warrant controversy as to their respective merits. With its adoption of the four per cent. reserve, the State of New York now adopts for official use, as Massachusetts has from the origin, the Actuaries' table; not that it is deemed intrinsically better than the American Experience, but to promote uniformity between the States, and for the reason of convenience that the tables in use in four per cent. policy valuations are framed from the former. These mortality tables are the results of carefully verified statistics of the actual death experience of life companies in Europe and in this country. Confidence in their safety as a basis of anticipation is strengthened by the seemingly well-established fact that the longevity of the human race grows with the advance in knowledge of the laws of health, the observance of sanitary conditions, and the generally improved circumstances of the people, incident to highly civilized life. That the average duration of life in the future of well-ordered American communities will, at least, equal the past average, as found by the tables, is a reasonable expectation. Further confirmatory evidence is afforded by later experience. Of the companies doing business in Massachusetts with records of from twenty to forty-two years experience, not one has experienced a death rate of within ten per cent. of the table expectation. Of the older and larger companies, which furnish perhaps the more satisfactory test, the actual mortality, by the latest computation, has been in the Mutual, 80; the Mutual Benefit, 85; in the New York Life, 88; in the Ætna, 89; in the Penn Mutual, 81; in the Connecticut Mutual and the Equitable, 78; in the Northwestern, 77; and in the New England, 74 per cent., as compared with the table. Whenever a company has suffered a death loss in excess of the expectation, the cause is referred to imprudent selection. The evidence of the safety of the mortality assumption is proof beyond reasonable doubt. But this may not authorize a prudent administration to divide among policy holders the profits from low mortality of a particular period. Present gains may be wanted to supply future deficiencies.

The interest assumption is less free from doubt, though, so far, safe. The physical world is more stable than the financial. Fifteen years ago, men highly esteemed for judgment in financial matters, held it per-

fectly safe to anticipate an annual net income of six per cent. on good investments for a generation thence. The advocates of a four per cent. reserve were charged with an unreasonable conservatism. Up to date the assumption of four per cent. has been met, and is likely to be for some years yet. But it is doubtful if insurance companies can safely anticipate a net income of four per cent. on their reserves during the life of the policies they now issue, and adhere to the conditions of safety in investment. This matter craves thoughtful attention, since it touches the foundation, and, if misjudged, may imperil it. And while I should not now advise any change in the established standard of legal solvency, it seems to me that insurance managers may wisely consider the prudence of placing new business on the basis of an anticipated three per cent. income only. There is safety without harm in such a policy. It would not increase the actual cost of insurance, as the excess earned over the anticipated income would be returned in dividends to the policyholder.—*Commissioner Tarbox.*

Queer Kansas Decision.

If the case has been stated to us correctly, the Supreme Court of Kansas has just rendered a decision that will rank among the most curious in the annals of courts. A man who owned an eating-house at a railway station had it insured in the California Insurance Company of this city. The eating-house was built on ground leased from the Atchison, Topeka & Santa Fe Railroad, which was to buy the building on the expiration of the lease. The owner made arrangements for the transfer of the property to the railroad company, and then canceled the policy of insurance and received a return premium for the unexpired term for which the policy was to run. The cancellation occurred before the transfer was completed. After the cancellation, and before the property formally passed into the hands of the railroad company, the eating-house burned.

At the instigation of the railroad company, doubtless, the alleged owner brought suit against the California Ins. Co. for the amount of the policy which he had ordered canceled, and argued that he did not intend to have it cancelled until after the transfer had taken place. He did not deny that he had informed the agent that he had disposed of the property, nor that he had received a return premium. The Supreme Court decided that the cancelled policy was still in force, and that the man's intention or belief was more binding than a written contract. This absurd decision is so plainly contrary to the law, the evidence and common sense, that we may well ask, Who owns the Supreme Court of Kansas?

Lax Medical Examinations.

One reason that the death rate of the co-operative insurance associations has been in excess of the normal death rate of young benevolent associations has hitherto been overlooked. Medical examinations in the rural districts are seldom very strict, for the reason that the practice of the country physician is so small and unprofitable that he can not afford to offend any of his patients or their families. The applicant is of course apparently in good health, and the physician must "pass" him, or forfeit his good will and "business." The pressure in such cases is undoubtedly strong, for, in addition to professional considerations, the relations of the examining physician with the applicant or his family are usually of a very friendly nature. As a large proportion of the membership of fraternal and business co-operatives is outside of the large cities, it is reasonable to assume that careless examinations by country physicians, friendly to the applicants, are largely responsible for the advancing death rate and growing litigation of the hat-passers. Let anyone read the death lists published by the various associations, and he will admit that whatever may be the cause, their system of medical examination must be a farce, for members die of incurable diseases of the brain, lungs and heart within six or eight months after admission. These diseases were, unquestionably, plainly manifest to the examining physician.

The Career of a Gay Lothario—He Pays the Piper by Tapping the Company's Till.

About ten years ago, more or less, a pleasant young fellow began practical life in San Francisco as an underwriter. He was "in the very May-morn of his youth, ripe for exploits and mighty enterprises," with "a face like a benediction," and a tongue that dropped manna. Of engaging manners and liberal ways, every acquaintance speedily became a friend and a sounder of his praises. Imagination painted his future in rosy colors, and whosoever would have introduced shadows in this fair picture of the young man's destiny would have been pronounced an envious man.

Fortune smiled on this bright and aspiring youth, and he became an officer of a local fire insurance company. The position was responsible and remunerative, and a stepping stone to better things. But, alas! the young man was made of poor moral stuff, and the first test of its quality revealed its rottenness. The web and woof of his character was made of shoddy cloth. As soon as he was in receipt of a good income, he began to gratify without stint his multiplying wants. "Cold-pausing Caution's lesson scorning," he yielded to every new temptation, and daily robbed his company to pay for nightly revels in the haunts of vice.

A truthful record of the young libertine's prodigal and sensual follies would be incredible. He squandered thousands of dollars for his royally dissolute pleasures. A married man, he kept mistresses and leased bawdy houses, where, with boon companions and thieving confederates, he nightly held high revel. A not intemperate man, he scattered coin with a lavish hand that others might pledge his health with costly wines. With ample funds within reach of his thieving hands, he was a liberal patron of gambling hells, and became the pet of sporting men, as well as the favorite of the demimonde.

This reckless life of embezzlement by day and princely dissipation by night could not go on forever. There soon came a day of exposure, but the young villain had so cleverly concealed the extent of his own defalcations and vicious pleasures that he foisted nearly all the blame on his associates in rascality, and escaped punishment because of his youth, inexperience and "irreproachable" character. He was suffered to go his way without molestation, in the erroneous belief that he had seen the error of his ways.

In time the young man became a special agent and adjuster for one of our offices at a moderate salary, and for awhile apparently led a blameless life. His salary was afterwards increased, but it was necessarily insufficient to gratify the extravagant tastes which had become necessities. But, infinitely worse than mere extravagance, his devotion to vice had bred a brood of vicious wants that must be supplied at all hazards, regardless of all moral considerations or of the dictates of common sense.

With money dishonestly obtained, he frequently treated himself to "high old times." For the luxury of female "friends" he rented fashionable suites of rooms at leading hotels, and together were served with elegant champagne suppers. The tedium of travel was relieved by the society of some lady of lax morals, and made thoroughly enjoyable through the means of private apartments in palace cars, and *tete-a-tete* lunches of roast chicken and sparkling champagne.

Now thoroughly schooled in villainy, he was never at a loss for some trick to supply himself with an abundance of money, and avoid or delay exposure. He frequently entered into collusion with unscrupulous claimants, giving them more than their dues, and receiving in return their receipts for still larger sums. The difference he put into his own pocket. His income being still insufficient and the demand for money growing more pressing, he hit upon the original plan of insuring imaginary property in out-of-the-way places, and afterwards collecting losses on the same. In carrying this little game into effect he must have had a confederate.

His method was simple enough, and his success shows the ease with which dishonest men in his position may swindle their companies. He forwarded an application for

the insurance of imaginary property carefully described. Of course the risk was a "desirable" one, and was promptly accepted. He then paid a premium or two, and in time, when he needed money badly, some of this imaginary property would burn, and the confederate would forward a claim for a total loss. Our tricky adjuster would be dispatched to adjust the loss, and always earned the gratitude of his employers by making a "salvage." He could invariably persuade the imaginary claimant to accept a little less than as for a total loss! How often he played this trick is of course unknown. It is certain that he appropriated a few premiums.

Finally, the enterprising rascal learned that discovery was inevitable, and that safety probably lay in flight only. He immediately visited a number of his intimate acquaintances in underwriting circles in this city, and borrowed in the aggregate, "for a few days only," a thousand dollars or so, and took the next train for the East. He now fills an humble place in a large city, at a moderate salary. We are credibly informed that he is supporting his family, and conducting himself in a becoming manner. We therefore feel justified in withholding his name.

American Eagle Association.

LOS ANGELES, CAL., Nov. 2, 1885.

EDITOR COAST REVIEW—I beg leave to write you privately regarding the standing of the American Eagle Association, of 123 California street, San Francisco, and of the German Land and Cattle Company, at the same office and under the same management. I have got their prospectus and pamphlets, and wish me to take hold of it down here, but I am rather doubtful about it. However, I should like your private opinion regarding it, and will greatly oblige,

Yours, very truly, ——

The American Eagle Association, of this city, has been exposed and denounced repeatedly by the COAST REVIEW and the daily press. The association is unworthy of any confidence, and all of its promises are snares.

We know nothing of the "German Land and Cattle Co.," but as it has an office with the American Eagle, and is evidently under the same management, we are warranted in declaring it to be a rotten scheme.

Our correspondent will let both companies severely alone, we know, for it is clear that he has a good reputation to preserve.

The Western Insurance Company of San Francisco.

The Western of this city has discontinued the writing of eastern risks, and for the present will restrict its business to the Pacific Coast States and Territories and Colorado. The experience of the Western in "the States" has been unfortunate, but in this respect, as all know, it does not stand alone. An assessment of twenty dollars per share has been levied on the stockholders to make good the impairment of capital.

It is reported that the necessity for the assessment arose in part from a shortage in the accounts of the late Secretary of the company, R. G. Brush, but this report is denied by Secretary Sessions, who says that the investigations so far made have disclosed only a lax system of book-keeping. It is credibly reported, however, that a subordinate was a defaulter in an amount approximating $4,000.

The twenty-dollar assessment was levied quietly, and but for an untoward event might not have reached the public ear. The Secretary was instructed to personally notify each stockholder of the assessment, and avoid needless publicity by exacting a promise of secrecy. President Bryant of the State Investment in the meantime bought a hundred shares of the stock. He now claims that an effort was being made to unload the stock of the company by holders who knew of the existence of the assessment, and he threatens to bring suit against the management to restrain them from collecting the assessment, and alleges bad management, etc.

The officers of the Western state that the stock purchased by Mr. Bryant had been in in the market some time before the assessment was levied, and that the holder of the

same was in the East, and knew nothing of the assessment. The Western's officers further state that frequent efforts were made to privately notify Mr. Bryant of the assessment, but that such efforts were fruitless until some days after he had sent his stock to the office of the company for transfer.

Secretary Sessions states that the stockholders of the company are promptly responding to the assessment.

FIRES.

We report this month the greatest aggregate loss ($627,900) for any month since the Virginia City (Nev.) fire in 1875. The loss on the Crocker fire ($370,868) is the largest at any single fire in San Francisco since the burning of the Harpending block on Market street, in 1871.

September 28, Portland, Or., frame building:

South British & National.....$881

September 26, Portland, Or., Chinese merchandise:

Sun.....$971

September 27, Bozeman, M. T., frame building:

South British & National.....$750

September 15, Walla Walla, W. T., frame dwelling and contents:

Fire Ass'n of Philadelphia.....$350

September 15, Livingston, M. T., frame building:

Commercial.....$500

September 10, Santa Rosa, Cal., groceries:

Sun.....$750

September 31, San Rafael, furniture:

Oakland Home.....$932

September 22, Selma, Cal., dwelling:

Sun.....$450

September 27, Red Bluff, Cal., wool:

Liverpool & London & Globe.....$430

September 29, San Luis Obispo county, Cal., frame dwelling:

Phenix, Brooklyn.....$1,300

October 16, Los Angeles, Cal., brick store building, cooperage, etc.:

Liverpool & London & Globe	$1,407
Manchester	986
Imperial, London, Northern & Queen	400
London & Lancashire	985

October 8, San Francisco, general fire:

CROCKER & CO.

Liverpool & London & Globe	$9,940
Imperial, London, Northern & Queen	9,940
Union, N. Z.	9,940
California	9,940
Union, S. F.	9,925
Commercial Union	9,940
Royal, Norwich Union & Lancashire	12,922
Home & Phœnix	9,940
North British & Mercantile	4,963
German-American	4,970
State Investment	4,970
Prussian National	4,970
Hartford	4,970
Sun	4,970
Hamburg-Magdeburg	4,970
Commercial, S. F.	4,970
Fire Association, Philadelphia	4 970
Hamburg-Bremen	2,485
Williamsburg City	2,487
Franklin	2.487
New Zealand	4,970
Firemans Fund	3,976
Helvetia	4,970
Bowery	4,970
Transatlantic	4,970
Scottish Union	3,982
Niagara	2,487
National, Ireland	2,487
National, N. Y.	2,982
South British & National	2,500
Merchants, N. J.	2,485
Ætna	4,970
Manchester	4,963
London & Lancashire	4,970
American, Philadelphia	994
Phœnix, London	2,485
British America	2,485
Western, Toronto	2,485
Not reported	2,414
Total	$201,244

GEO. C. SHREVE & CO.

Imperial, London, Northern & Queen	$5,000
London & Lancashire	4,000
Liverpool & London & Globe	4,000
North British & Mercantile	2,000
Springfield	3,000
Total	$18,000

SCHWEITZER, SACHS & CO.

Firemans Fund	$839
National of Ireland	1,678
Liverpool & London & Globe	4,195
London & Lancashire	1,678
Royal, Norwich Union & Lancashire	5,034
National, N. Y.	839
American, N. J.	1,678
Hamburg-Magdeburg	1,678
North British & Mercantile	3,356
Germania	1,678
Imperial, London, Northern & Queen	11,747

Helvetia	4,970
Guardian	5,034
Commercial Union	5,034
Hartford	1,678
Ætna	1,678
British America	1,678
Underwriters	1,678
Hamburg-Bremen	3,356
Western, Toronto	3,356
Oakland Home	839
Scottish Union	3,356
New Zealand	2,178
North German	1 678
Insurance Company of North America	3,356
National of Hartford	1,678
Pennsylvania	1,678
Pacific	1,678
Phœnix, Brooklyn	1,678
American Central	1,678
Springfield	1,678
Phœnix, London	1,678
Union, N. Z	1,678
Total	$86,422

GREENEBAUM, WEIL & MICHELS.

Continental	$878
American, N. J	878
Springfield	878
Phœnix, London	1,754
Royal, Norwich Union & Lancashire	4,389
British America	877
Scottish Union	1,762
National, Hartford	881
Manchester	878
Caledonian	881
British America	877
London & Lancashire	1,756
Imperial, London, Northern & Queen	3,510
Guardian	877
German American	878
Merchants', N. J	878
North British & Mercantile	1,756
Union, New Zealand	438
South British & National	439
Ins. Co. of North America	878
Hamburg-Bremen	878
Helvetia	1,755
Total	$28,093

FRIEDLANDER & KOCH.

Scottish Union	$238
North British & Mercantile	467
Continental	416
American, N. J	467
Fire Insurance Association, London	416
German-American	233
National, Hartford	238
Western, Toronto	233
Commercial Union	920
Germania	466
Hamburg-Magdeburg	466
British America	233
Imperial, London, Northern & Queen	1,400
London & Lancashire	467
Royal, Norwich Union & Lancashire	166
Total	$6,826

DAVIS BROS., TOKLAS & CO.

North British & Mercantile	$112
German American	134
Union, N. Z	112
California	112
Royal, Norwich Union & Lancashire	112
Washington	112
Orient	112
Lion	223
Scottish Union	452
North German	223
Connecticut	223
Security	223
Hamburg-Bremen	223
Union, S. F	223
Helvetia	112
South British & National	445
Prussian National	223
N. Y. Underwriters	334
Guardian	223
Home & Phœnix	223
Germania	223
Hamburg-Magdeburg	446
Commercial Union	513
Hartford	112
Phenix, Brooklyn	335
American Central	223
Niagara	223
Royal, Norwich Union & Lancashire	446
New Zealand	223
Sun	223
Liverpool & London & Globe	334
Phœnix, London	223
British America	223
Western, Toronto	223
Fire Ins. Ass'n, London	335
St. Paul	112
Imperial, London, Northern & Queen	558
London & Lancashire	446
National, Ireland	223
Manchester	223
American, N. J	112
Ætna	335
Total	$10,470

HECHT BROS.

Scottish Union & National	$1,513
National Hartford	303
Glens Falls	605
Union, S. F	847
Hamburg Bremen	1,210
South British & National	605
Firemans Fund	600
Home & Phœnix	4,000
Lion	605
Commercial Union	250
Hartford	1,250
Niagara	1,400
Royal, Norwich Union & Lacashire	1,815

Boston Underwriters	605
Phœnix, London	605
Western, Toronto	605
Imperial, London, Northern & Queen	1,815
London & Lancashire	605
Manchester	605
Total	$19,843
Grand total of Crocker fire	$370,898

October 21, San Francisco, dwelling and barn:

North German	$400

October 27, San Francisco, picture frame stock and building:

Pacific	$355
American Central	150
Amazon	150

October 11, Willows, Cal., general fire:

Scottish Union & National	$3,934
National, Hartford	1,514
Springfield	1,000
Germania, Pittsburgh	1,568
Concordia	1,000
City of London	7,700
South British & National	8,040
Guardian	4,990
Firemans Fund	210
Home & Phœnix	5,500
Hartford	2,705
Citizens, Pittsburgh	2,540
Ins. Co. of North America	2,000
Pennsylvania, Phila	2,000
Royal, Norwich Union & Lancashire	2,500
Girard	1,467
Commercial	1,000
Boatmans	247
Niagara	1,285
Fire Ins. Ass'n, London	10,118
Allemannia	2,500
Pennsylvania, Pittsburgh	2,480
New Orleans	6,095
Teutonia	4,445
Firemen, N. J	1,290
Continental	2,615
Ætna	5,700
Lion	3,535
Washington	1,400
Orient	1,000
Total	$92,173

October 14, Belmont, Cal., barn:

Ætna	$400

October 19, San Bernardino, Cal., general fire:

Home & Phœnix	$2,500
Svea	2,000
Home Mutual	2,000
Liverpool & London & Globe	534
Bowery	125
Total	$7,159

October 9. Durham, Cal., grain and warehouse:

German American	$7,395
California	6,450
Hartford	2 040
Home & Phœnix	12,740
Manufacturers	4,500
Firemans Fund	2,776
Boylston	1,800
New Hampshire	986
London & Provincial	4,000
Agricultural	1,474
Imperial, London, Northern & Queen	1,996
Lion	1,500
Ætna	2,739
Total	$50,396

October 9, West Berkeley, Cal., frame dwelling and contents:

Phenix, Brooklyn	$1,100

October 3, Alameda, Cal., furniture in dwelling:

Ætna	$174

October 17, Williams, Cal., saloon and dwelling:

Home & Phœnix	$1,025

October 24, Rough and Ready, Cal., blacksmith shop:

Western, S. F	$453

October 3, Plymouth, Cal, dwelling and furniture:

Firemans Fund	$1,000

October 17, Fresno, Cal., dwelling:

Connecticut	$750

October 2, San Jose, Cal., dwelling:

Western, S. F	$175

October 1, San Jose, Cal., frame dwelling:

Firemens, Baltimore	$750

October 15, Sierraville, Cal., dwelling:

Sun	$400
Williamsburg City	200

October 5, Stanislaus county, Cal., frame dwelling:

Phenix, Brooklyn	$950

October 17, Washington Colony, Fresno county, Cal., dwelling and furniture:

Oakland Home	$600

October 4, Bakersfield, Cal., frame dwelling:

Howard	$500

October 6, near Marysville, Cal., dwelling and furniture:

Imperial, London, Northern & Queen	$5,493

October 13, Oakland, Cal., dwelling:

Home Mutual	$1,500

October 10, Marysville, Cal., household furniture:
American $239

October 2, San Bernardino, Cal., apiary:
Lion $846

October 27, Oakland, Cal., building, scenery, etc.:
South British & National $1,600

October 2, Rocklin, Cal., frame dwelling:
Home Mutual $350

October 7, Railroad, Cal., pictures, etc.:
Union, S. F $815

October 15, Nevada City, Cal., dwelling and furniture:
American Central $700

October 10, Galt, Cal., general fire:

Western, S. F	$500
Firemans Fund	230
Sun	1,356
Oakland Home	600
Williamsburg City	904
Boston Underwriters	1,356

October 23, Ventura county, Cal., hay:
Royal, Norwich Union & Lancashire $370

October 23, San Bernardino, Cal., frame dwelling:
North British & Mercantile $1,025

October 7, Roseville, Cal., frame dwelling:
Home & Phœnix $300

October 7, Los Angeles, Cal., frame building:
Commercial Union $280

October 6, Contra Costa county, Cal., school house:
Home Mutual $600

October 14, Oakland, Cal., building:
Western, S. F $300

October 18, Sacramento county, Cal., dwelling:
British America $390

October 3, Woodland, Cal., frame dwelling:
Home & Phœnix $263

October 5, Tulare county, Cal., threshing outfit:

California	$750
Union, N. Z	750
Commercial	250

October 6, Tulare, Cal., dwelling:
Home Mutual $1,100

October 1, Marin county, Cal., frame dwelling:
Home & Phœnix $600

October 1, Merced, Cal., general merchandise and building:

North British & Mercantile	$365
Western, S. F	812
Scottish Union	190
National, Hartford	190
South British & National	916
Sun	1,000
Imperial, London, Northern & Queen	480
Commercial	1,433
Fire Ass'n, Philadelphia	975
Liverpool & London & Globe	193
Continental	617
Fire Ins. Ass'n of London	750
London & Lancashire	588
Manchester	588
Lion	500
Total	$9,557

October 11, Tulare, Cal., farm implements:
Ætna, ... $470

October 27, Santa Barbara, Cal., dwelling and contents:
Royal, Norwich Union & Lancashire $2,250

October 25, Butte county, Cal., frame dwelling:
California $580

October 20, Corning, Cal., dwelling:
Home Mutual $4,700

October 19, St. Helena, Cal., frame dwelling:
North British & Mercantile $300

October 2, Woodland, Cal., frame dwelling:
Agricultural $2,350

October 13, Chico, Cal., brick saloon, building and furniture:

Liverpool & London & Globe	$1,138
Phenix, Brooklyn	378

October 24, Sacramento county, Cal., dwelling house:
Sun $1,000

October 8, Orland, Cal., frame dwelling:

Agricultural	$282
Continental	600

October 22, Santa Clara county, Cal., frame dwelling and furniture:
Liverpool & London & Globe $966

October 5, Modesto, Cal., dwelling and contents:
Western $1,735

October 7, Boca, Cal., general fire:

California	$535
Home Mutual	2,400
Agricultural	2,000
Fire Ins. Ass'n, London	1,000

October 27, Oakland, Cal., frame building:
City of London.....$1,000

October 6, Santa Cruz county, Cal., dwelling:
Ins. Co. of North America..... $500
Phenix, Brooklyn..... 1,500

October 10, Oakland, Cal., frame dwelling:
New Zealand.....$150

October 11, San Manas county, Cal., merchandise:
German, Pa.....$2,481

October 15, Los Angeles, Cal., dwelling:
Oakland Home.....$300

October 1, Stockton, Cal., merchandise and furniture:
Pennsylvania, Phila.....$388

October 6, San Mateo county, Cal., frame dwelling:
Home & Phœnix.....$762

October 24, Santa Cruz, Cal., dwelling:
Ætna.....$200

October 8, Oroville, Cal., dwelling and household goods:
American Central.....$722

October 26, Fresno county, Cal., furniture and wearing apparel:
California.....$600

October 11, Jackson, Cal., Chinese merchandise:
Boatmans.....$750
Pennsylvania, Pittsburgh..... 750

October 13, San Joaquin, county, Cal., barn:
Phenix, Brooklyn..... 200

October 5, San Jose, Cal., hay in barn:
Howard.....$500
Bowery..... 500

October 26, near Virginia City, Nev., tailings mill:
Firemans Fund.....$673
National, N. Y..... 673

October 25, Carson, Nev., blacksmith shop:
Fire Ins. Ass'n, London.....$911
New Orleans..... 911

October 20, Tucson, A. T., household furniture:
Washington.....$1,500

October 3, Oregon, dwelling and household furniture:
Western, S. F.....$1,000

October 8, Prescott, A. T., frame dwelling:
Orient.....$600

October 28, Ogden, Utah, furniture:
Imperial, London, Northern & Queen.....$1,000

October 30, Salt Lake City, Utah, dwelling:
Royal, Norwich Union & Lancashire.....$500

October 19, Clarke county, W. T., frame flour mill:
North British & Mercantile.....$1,350
Fire Ins. Ass'n, London.....$1,000

October 21, Walla Walla, W. T., dwelling:
Pennsylvania, Philadelphia.....$1,050

October 30, Walla Walla, W. T., sewing machines and frame buildings:
American, Philadelphia.....$900
Lion..... 500
Orient..... 500

October 8, Miles City, M. T., frame dwelling and furniture:
South British & National..... $700
City of London..... 1,200
Royal, Norwich Union & Lancashire..... 700

October, 8, Lynn county, Or., frame dwelling:
Phenix, Brooklyn.....$1,539

October 10, Portlend, Or., general merchandise:
Hamburg Bremen.....$637

October 24, Portland, Or., frame barn:
Hamburg Bremen.....$595

October 24, Umatilla county, Or., frame dwelling:
Phenix, Brooklyn.....$600

Grand Total.....$627,900

CHIPS.

—Messrs. Hunt & Mitchell succeed the old firm of Jonathan Hunt, Son & Co. Mr. Mitchell, who has long been a member of the firm, is an underwriter of experience and ability. With the excellent companies represented by these gentlemen our readers are familiar. Both are very old companies, with massive resources. The Pennsylvania Fire Ins. Co. of Philadelphia, which was organized in 1825, has $2,378,918 assets, and a net surplus of nearly a million dollars. The Insurance Company of North America is one of the oldest and largest in the world. It was organized in 1794, It has a paid-up capital of $3,000,000, over $9,000,000 of assets, and a net surplus of $3,128,880.

—E. D. Farnsworth has been dangerously ill and confined to his bed for the past six weeks. His many friends will be glad to learn that he is now convalescent.

—Wm. J. Landers is in the East, and will return via the Northern Pacific R. R., visiting various points in the northwest in the interest of the Guardian.

—H. K. Field, the general agent of the New England Mutual Life Insurance Company for this Coast, sailed for Honolulu a few days ago, ill health having persuaded him to take a short vacation.

—J. F. Dudley of New York, Deputy United States Manager of the North British and Mercantile, visited this city last month, and returned home via Portland, Or. Tom C. Grant, the General Agent of the company, accompanied him as far as Portland.

—J. D. Spreckels & Bros. have been appointed general agents in this field for the Standard Marine Insurance Company of London, Eng., with J. B. F. Davis & Son as managers. The Standard is a strong company, with a cash capital of $500,000, and over a million of assets and a large net surplus.

—The prospectus of a real estate title insurance company is circulating in business quarters in this city. There appears to be no good reason why such an enterprise should not succeed here. It would stimulate the sale of real estate, for frequently there are serious misgivings as to titles which deter buyers.

—The following questions were submitted for discussion at the annual meeting of Insurance Journalists' Association, at Baltimore, October 39:

Ought this Association to advocate the limitation of the commission paid on new business in life insurance to the loading of the net premium for the first policy year, with large deductions therefrom for renewals?

Is the accession of new lives essential to the performance of their contracts by well-established, solvent life insurance companies?

We "guess" they discussed the dinner with a great deal more interest.

--The *Insurance Record* reports the serious, perhaps fatal, illness of Stephen English, editor of the *Insurance Times*. We trust that the *Record* is misinformed, for we shall greatly miss the clarion notes of Stephen.

—The Bowery Ins. Co. of New York has discontinued writing in this field and reinsured its Pacific Coast risks in the Niagara Ins. Co. of New York. The Bowery, which has a quarter of a million net surplus and over $800,000 assets, continues business as before on the other side of the Rockies. As its Pacific Coast policyholders are reinsured in a first-rate company with a net surplus of more than $330,000, and assets of nearly $2,000,000, they have no reason to complain.

—The Pacific Coast agency of the Niagara Ins. Co. of New York was transferred by Vice-President Goodrich, during his recent visit, from Messrs. Smith, Snow & Moody to Speyer & Herold, the general agents of the Hamburg-Bremen. The Niagara is a strong company with conservative tendencies, and has $1,851,597 assets and $331,447 net surplus. It is the design of the company to "branch out" and do a larger business in this field than it has formerly permited itself to do.

—The claim of Hecht Bros., boot and shoe merchants, for damages incurred by the Crocker fire, was considered excessive by the companies, and all the damaged goods were therefore purchased outright for $58,-982.70, the original cost, and the claim thus disposed of. The goods were placed on the market through the auction house of Messrs. Newhall & Co., and disposed of at a forced sale for $35,144.30, a net loss of $23,-838.40. The last sum represents the loss sustained by the companies on Hecht Bros.' stock. This method of settling a claim has given rise to a novel question as to the amount which the policies on the stock should be reduced. Hecht Bros. claim that the reduction should be the net loss of the companies. The latter claim that the policies should be reduced the amount paid Hecht Bros. for the goods purchased in liquidation of their claim. The matter has been submitted to arbitrators.

—Charles H. McNeeley, who represents several companies at Los Angeles, was in the city last month.

—Thos. F. Goodrich, Vice President of the Niagara Fire Insurance Company, of New York, visited this Coast last month, in the interest of his company. Mr. Goodrich is a prominent underwriter of the conservative school.

—The California Life and Accident Association of this city has issued a circular, wherein all lapsed members are offered a restoration of membership upon payment of arrears without a new medical examination. This liberal offer is a good thing for the managers, who recover delinquent dues, but it is not so good a thing for the faithful members, for if there is a sick delinquent he will not fail to accept the offer. The association claims a balance of $1,145.37 to its credit on July 31st. Evidently the acknowledged liabilities did not include the balance of $1,600 due the widow of Matthias Hegemann, of Germantown, Cal.

—Elsewhere we make an extended quotation from the proceedings of the recent annual session of the Sovereign Grand Lodge of the Independent Order of Odd Fellows. The special committee on dues and benefits made a report on the beneficiary system of the order, which they were appointed to investigate. They reached the conclusion that "all experience continues to show that with the advancing age of the order or the individual, the sick and death rates increase," and then they proceed to prove it. They say, also: "The law of average is not only demonstrated, but the inner law of increasing average with increased years is again confirmed." The membership in the Maryland jurisdiction dwindled from 14,000 to 9.690 since 1871, and the sick and death rates have increased accordingly. The death rate has advanced from 12 to 16 per 1,000. These figures and quotations confirm our claim that with the increasing age of any co-operative there will be a corresponding increase of the death rate. The result must inevitably be fatal to every business or fraternal hat-passer, for none can escape the "inner law of increasing average with increased years."

—The Home Mutual Fire Insurance Company of this city has reinsured all its Eastern risks in the Westchester Fire Insurance Company of New York.

—The Pacific Surety Company, recently organized in this city, is meeting with a degree of success far exceeding the anticipations of its projectors. The demand for the bonds required by courts is particularly gratifying.

—Newspaper paragraphs travel in roundabout ways. One taken from our June number appears in Eastern journals, which credit it to a country paper, a copy of which we never saw. The editor casts his literary loaves on the waters, but he is in luck if he ever again hears from his "investment." About a year or so ago a COAST REVIEW paragraph floated about in the East, and then turned up in a San Francisco paper, credited to one of our dailies. When he discovered that he had been deprived of credit for the only good thing he had written in six months, a new wrinkle was added to the editor's frowning brow, and another hair turned gray.

—On the morning of the 5th inst,, or night of the 4th, the "fire fiend" visited the office of the Lion Fire Ins. Co., in this city, in person, and carelessly dropped his flaming card into the waste basket. The Patrol were notified in time to limit the loss to about $200, which was fully insured. The fire burned through the floor, and also destroyed or damaged a pile of policy blanks. The scenes attending the adjustment of the loss were entertaining, recent experiences with several big claims suggesting a farcical treatment of this little claim. Appraisers were duly appointed, who made a thorough examination, and gravely determined the extent of the loss and damage from fire, smoke and water. Their report not being satisfactory, the insuring company threatened to take the "goods" and sell them under the hammer. After a grand pow-wow, both parties united upon a compromise, with the understanding, we suppose, that the insuring company was to carry a good line on the Lion risk in consideration of its liberal adjustment and prompt payment.

—The editor of our e. c., the *Weekly Underwriter*, administers his commas with a pepper-box.

—Several prominent San Francisco underwriters recently visited the Nevada Dock grain warehouses, above Port Costa, to investigate the fire hazard. Many valuable improvements were suggested, and will probably be adopted.

—A recent fire in a winery in this State is said to have been caused by the ignition of gases from the bung-hole of a wine vat, resulting in an explosion. The watchman, who carried a lantern, was walking among the vats at the time, and was badly burned. Fires from this cause, in places where spirits are made or stored, may be far more common than is supposed. It is not long since we printed an account of an explosion of an empty whisky-barrel in an Iowa saloon. Someone dropped a lighted match into the bung-hole of the barrel, and a moment later the neighbors flocked in under the impression that there had been an explosion of prohibition dynamite.

—Some persons fall discouraged on the highway of life, because they cannot be this or that great person. Why not be willing to be themselves? No person ever lived or ever will live without influence. Why not make the most of that? Since you cannot grasp that which you wish, why let what you have slip through your fingers? No person in the world is exactly like you. You have your own faults, but you own have also your excellencies individual to yourself. Give them air. Because you are not a poet, should you not be a good merchant? Because you cannot go to college, should you therefore forswear the alphabet? Because you cannot build a palace, should you not rejoice in your own humble home? Will not the sun also shine into your windows if you do not obstinately persist in shutting it out? If you cannot have a whole hot-house full of flowers, may you not have one sweet rose? If you cannot carry a large amount of insurance, why turn your back upon a small one? Begin, if you must, small, and increase as your means admit.—*The Metropolitan.*

—C. A. Laton of the Commercial is making an extended trip through the Western and Eastern States on a general tour of inspection of the agencies of the company. He will return about the 1st of December over the Northern Pacific R. R.

—J. W. Balch, President of the Boylston Ins. Co., of Boston, and J. F. Hastings, special agent of the same company, are visiting this city with a view of establishing an agency in this field. Numerous applications have been received by President Balch, and after carefully considering the merits of each, he has decided to place his company with Messrs. ———. We almost forgot that we had promised not to tell.

—As stated in our last issue, the agency of the Great Western (marine) Ins. Co. of New York, has been transferred from Everard Steele to Gutte & Frank. Mr. Steele was short in his accounts between fifteen and twenty thousand dollars. How he disposed of this money—whether in stock speculations, or in the older fashioned gambling, or in more discreditable ways—is a mystery to his friends and acquaintances. The Great Western will lose nothing by his defalcation, a bond issued by a surety company being amply sufficient to cover the shortage.

—Here is a case for those corporation-haters who think insurance companies have no souls. A man in the interior of the State had his dwelling insured in a prominent company. He sold the property, but neglected to transfer the policy to the new owner. The dwelling burned. The ex-owner called at the company's office in this city, and while acknowledging that neither he nor the man to whom he sold the property had any claim under the policy, asked the manager to build a shanty for the burned-out man. He had intended to transfer the policy, he said, and had he not been neglectful the company would have had to pay the loss. An adjuster visited the place, and reported that the facts were as stated by the insured. The manager thereupon paid the loss in full, although, as stated, his company was under no legal obligations to do so.

—G. W. Hazzard, insurance agent at San Diego, passed through this city last week, on his way to the "States."

—Homer E Osborne, formerly city agent for the Accident Ins. Co. of North America, is now associated with the city department of Brown, Craig & Co's agency.

—Orders for January, July and September COAST REVIEWS of the present year cannot be filled. Subscribers or exchanges who do not preserve files of the REVIEW, will confer a favor by mailing to us the three numbers mentioned.

—The tax of two per cent. upon the gross earnings of insurance companies transacting business in Chicago, for the benefit of the Firemen's Benevolent Association, is decided by the Illinois Supreme Court to be illegal.

—The creditors of the defunct Order of Mutual Companions should sue the members, who all are legally responsible for the debts of the order. The Supreme Court of New York has decided that a member of a co-operative is responsible for losses occurring during his membership, and that his liability does not cease when he has paid all the assessments levied. It would be well to bring a test suit against some well-to-do member of the Order of Mutual Companions. We are confident that our courts would not permit any member of an assessment association to shirk obligations so sacred as those undertaken by mutual benefit societies.

—The real estate men have all along kicked against that portion of a clause in the by-laws of the Chicago Fire Underwriters' Association which provides that brokers eligible to membership must be engaged principally in the business of fire insurance. At a meeting of the Association held last Tuesday, the "Committee on Objections" reported in favor of striking out this part of the clause. A motion to that effect was submitted, voted upon, and defeated by a vote of 28 to 9. So the real estate men can't come in. As the brokers' board had previously protested against the proposed action, it, of course, was well pleased with the result.—*Investigator.*

—W. H. Hill, of Vacaville, Cal., special agent for Brown, Craig & Co., was in the city last month.

—G. T. Patterson, Jr., President of the Clinton Fire Ins. Co. of New York, visited the Coast last month in the interest of his company.

—A young man who had done many foolish things, continued to indulge in the hope that some day he would be wise. Finally, a smooth-tongued solicitor persuaded him to insure in a mutual endowment hat-passer —one of those concerns that promise so much for so little. A little reflection convinced him that he had never done a more foolish thing, and despairing of that wisdom he sought, he asked a centenarian when a man ceased to be a fool. The reply was, "You must ask somebody older than I am." The moral is: As long as men live, humbugs will thrive.

—The Mutual Trust Fund Life Association of New York, a co-operative, recently offered $100 to a claimant for the surrender of a $5,000 certificate. The regular companies had settled with the widow, the claimant, paying her demands in full. The co-operative offered her $2,000, then $3,000, which was accepted; but when she was offered a note for that sum, payable in the fall, without interest, she again declined. The president of the association made the offer of compromise in person. The annual income of this co-operative swindle is about $100,000.

—It seems to us that some one might do his fellow-citizens a good turn by telling the truth about the fire extinguishing hand-grenades which are sold now in such enormous quantities. There are so many varieties of them that we will not attempt to say what they are filled with, but so far as we have been able to ascertain, not one gives out, when thrown into a fire, any of those efficacious gases which they are popularly supposed to contain, and we have yet to hear of any which possess more virtue than inheres in a bottle of salt and water, or of alum solution; while the disadvantages of their employment are considerable.—*American Architect.*

—A table giving the home office reports of foreign fire offices, and taken from the COAST REVIEW CHART, is going the round of our enterprising exchanges, but with "nary" a line of credit.

—Since our last issue, the committee appointed by the Fire Underwriters' Association of the Pacific to prepare suitable resolutions of respect to the memory of the late Samuel O. Hunt, have submitted the following:

Resolved, That by the death of Samuel O. Hunt, this Association has lost an honored and respected member—one who attained a prominent position as an underwriter, and who was highly esteemed by the insurance profession. In business he was regarded as an upright and honorable man. His loss will be sincerely mourned by his friends and associates, to whom his memory is endeared by the many good and sterling qualities he possessed.

Resolved, That we tender to the family of the deceased our heartfelt sympathy in their affliction.

Resolved, That these resolutions be spread upon the minutes of this Association, and a copy of same be sent to the family of the deceased.

—When a grasping and unscrupulous business man makes an exorbitant claim for loss by fire, the underwriters meet with no encouragement from other business men if they resist the claim. If the claim is paid, and the merchant is thereby enabled to place a lot of real or pretended damaged goods on the market at a price below actual value, other merchants in the same line of trade, whose sales are diminished by a glut of bargain goods, join in a howl of indignation at the underwriters for settling with their claimants on a too liberal basis. But if the underwriters stand up for their rights, and refuse to pay more than the actual loss, these same merchants not only withhold their moral support, but join in denouncing the insurance companies as unduly litigious, and then refuse to insure with them. The merchants themselves are responsible for a too liberal settlement of losses on merchandise, and they suffer the penalties of higher rates for insurance and a demoralized market for their wares. As losses determine rates, underwriters need not grieve very seriously over this phase of the business. If the dear public will persist in being foolish, then the dear public must pay for their folly.

—The Union Mutual Life Insurance Company of Maine paid out in the month of July, $70,848 in death claims and endowments, and since its organization up to the 31st of that month, $11,539,311.

—It is related of Isaac Perkins, that when he was sent to Mobile, Alabama, in the olden times, to settle heavy losses which had occurred in that city, involving it in quite a little sum, notwithstanding he was instructed by the Board of Directors to pay by sight drafts, yet in every case he drew at thirty days. Upon his return, being questioned as to the reason why he had not followed the instructions given him, he explained that as he had no means of knowing but great fires in other localities might make it impossible to meet sight drafts, he had prudently made them at thirty days, fearing if any should be returned dishonored before he was able to leave Mobile, he might suffer personal injury at the hands of the disappointed and impetuous Southron. So it will appear that the early secretary was a prudent man as well as a careful underwriter. It is unnecessary to state that the drafts were all duly honored, and general satisfaction given.—*C. B. Whiting.*

—Our enterprising Eastern contemporaries would place us under everlasting obligations for Pacific Coast news were it not for two objections. When the news is reliable we find that it has been copied from the COAST REVIEW; when the news is gained from other sources it is entirely unreliable. Turning to our scarlet exchange from Hartford for October, the *Journal*, we find an item relating to the Pacific Insurance Union. Ah, here is news indeed. As the Southern California tendered its resignation to the Union, other companies withdrew, and thereupon the S C. "incontinently withdrew its resignation." Indeed! The *Monitor* for October announces that "up to the present time" the seceding companies have not returned to the ranks. We should gladly profit by the enterprise of our ancient contemporary did we not find in the September COAST REVIEW satisfactory evidence that the seceders had returned. The moral is: If you want Pacific Coast insurance news you must take the COAST REVIEW.

—H. P. Brainerd, of the firm of Dinwiddie, Brainerd & Co., insurance and real estate agents at Petaluma, Cal., registered at the COAST REVIEW office in October.

—The contents of the *Overland Monthly* for November are varied as usual. Special mention may be made of the Wyoming Anti-Chinese Riot, by A. A. Sargent.

—The Clinton Fire Insurance Co., of New York, was recently admitted to this State. Messrs. Jacobs & Easton have been appointed general agents for this field. The Clinton was organized in 1850, and has a paid up capital of $250,000, assets to the amount of $461,409, and a net surplus of $75,616, according to the report for January 1st of the present year.

—O. S. Warren, a well known insurance agent at Silver City, N. M., died suddenly from a stroke of apoplexy on the 6th of October. In 1862–4, Mr. Warren was a resident of Seattle, W. T. He built up a large business at Silver City, where he represented twenty odd fire, life and accident companies. His widow, who is thoroughly competent for the position, has been appointed his successor.

—The latest variety of assessment insurance is furnished by the National Benefit Association, of Indianapolis, which combines a lottery with hat-passing insurance. Five out of each class of 100 members, and fifty out of each class of 1000, are to receive a free ride to San Francisco and return "about July 1, 1886." Here is a hint to the Home Benefit Association of San Francisco. The assessments have recently been so plentiful that claimants now have to wait many months. The heirs of the late James Taffe, a member of the association, had to wait six months for their money. Under these discouraging circumstances the Home Benefit can make no progress. Perhaps something in the lottery line would pull the association out of the bog in which it now flounders. Excursion tickets, or lottery tickets, or tickets to a Christmas turkey raffle or prizes of some sort, if judiciously distributed, might temporarily revive the drooping fortunes of the association. We know the managers will thank us for these friendly suggestions.

—James S. Reed, of Portland, Or., has been visiting San Francisco.

—They are not without accident insurance in China, after all. When one citizen kills another by accident, the survivor must pay the heirs of the deceased 68 cents. The value of the Chinaman in his own country has been determined with great nicety.

—The Fidelity and Casualty Co., of New York, recently submitted to eminent Canadian counsel a question as to whether any Canadian surety company could compel restitution by an American absconder by means of arrest under civil process in the Dominion. The reply, as set forth in an exhaustive opinion, was that a Canadian company would possess no advantage over a foreign or American surety company; and, further, that under the laws of Canada there is no arrest under civil process for a debt created out of the Province.

—On the morning after a recent fire in San Francisco a family living on the adjoining premises were visited by the broker who had insured their household furniture and wearing apparel. "Good morning, Mr. A.," said the smiling broker; "any damage from the fire last night?" "None," said Mr. A. "What—none?" cried the broker, in tones of disappointment. Then, turning to Mrs. A., "but, madam, you surely can find some damage. Was there no damage to wearing apparel even from smoke?" Mrs. A. had found nothing damaged in the least. "But see here," said the broker, with a significant wink, "I want you to find something damaged. We must make some sort of a claim against the company. You can just as well make a few dollars as not. The company is rich, you know, and makes lots of money. Let us see if we can't find something that is damaged." Presently Mrs. A.'s wedding dress, yellow with age, was brought forth, after much rummaging about in wardrobes. "That's just the thing!" cried the broker. "One silk dress, badly damaged, $75.00." The broker presented the claim. It was allowed, and Mrs. A. received the price of her wedding gown. The smart broker had no trouble in writing another policy for that family, and for all their aunts and uncles and cousins, too.

—Wallace B. Parker has been appointed agent for the Ætna Ins. Co. of Hartford and the Commercial Union Assurance Co. of London, at San Diego, Cal., and for the Pacific Mutual Life and Accident Ins. Co. for San Diego county.

—In our Portland correspondence will be found the statement that the American Legion of Honor has nearly disbanded in that city, the membership having fallen to nearly nothing, owing to frequent assessments. No more meetings are held.

—A few days ago we happened to be present when a policyholder was paying an assessment. He said: "The paying of these assessments always brings to mind an incident that occurred when postage stamps first came into use. The adhesive properties of the gum were not very good. It was hard to make the stamps stick and harder to make them stay stuck. They often dropped off after the letter was in the mails. A fellow, after a tedious time in getting a stamp to adhere, and having but little confidence that it would remain attached, wrote just below it, 'paid, if the d—d thing sticks.' I pay, when called upon, but I always wonder if the d—d thing will stick until I get to the end of the route for which I am posted." His adhesive faith in the cohesive properties of assessment life insurance was much like that of the man in relation to the gum on the first postage stamps.—*Cincinnati Price Current.*

—George F. Marsh has succeeded Mantle & Marsh at Butte City, Montana.

—Among San Francisco's visitors last month was James A. Silvey, Secretary of the German American Ins. Co. of New York.

—We wonder how many of our agents keep their premium collections separate from their personal or business funds? We well remember reading an article in the COAST REVIEW several years since, written by a local agent, and warning his fellow agents of the danger they ran in failing to keep a separate cash box for their insurance funds, and reminding them that, while the one represented their own property, which every one expected them to employ in such manner as their judgment dictated with the view of thereby increasing their store of worldly goods, the other represented funds which they, for a stated consideration, had agreed to collect for account of another person, and remit immediately to him, less the charge for services rendered; and that, while a failure to meet one's business obligations merely brought upon one financial embarrassment, which, when honorably encountered generally secured one the sympathy even of one's creditors, failure to remit one's collections through having employed and lost them in any unauthorized manner, is *embezzlement*, and makes the delinquent party a felon under the law, and liable to confinement in the State Prison.—*Firemans Fund Record.*

THE PACIFIC SURETY COMPANY

OF CALIFORNIA.

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COAST REVIEW.

A MONTHLY JOURNAL, DEVOTED TO FIRE, MARINE, LIFE AND ACCIDENT INSURANCE.

J. G. EDWARDS, Proprietor,

320 Sansome St., (Room 14), San Francisco, Cal.

(Take the Elevator.)

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Digest of Recent Insurance Decisions.

FIRE.

COMPANY BOUND BY GENERAL AGENT.—Lengenfelter *v.* Phœnix Ins. Co.; Kansas City, Mo., C. of A., Oct., 1885.—First, If H, a general insurance agent, authorized B for him, and in his name, to solicit applications and collect premiums for him, and B accordingly did this and obtained the application of plaintiff, received the premium or its equivalent, and forwarded the application to H, who received and approved the same before the fire, they bound the company, though no policy was issued before the fire occurred. Second, The general agent may employ clerks and sub-agents whose acts, if done in his name and recognized by him, will be regarded as his acts, binding the principal. Third, An equitable title is a sufficient compliance with statements in the application as to ownership. (40 Mo. 17—5 Otto 242.)

TEMPORARY PARTNERSHIP.—Lewis *v.* Ins. Cos.; Trumbull (O.), C. C.—The policies provided that the insurance should cease in case of change of ownership. *Held*, That the transfer of a part interest in the goods insured, which was re-transferred to the insured before the fire, did not forfeit the insurance.

PROOFS OF LOSS.—Horton *v.* Royal Ins. Co.; Ky. Sr. C., June, 1885.—In order to fix the company's liability, under its express promise, for any specific amount, it was necessary to allege that to be the actual cost value of the interest of the assured in the property at the time of the loss. The first paragraph failed to state that the plaintiff had any interest in the wheat at the time it was burned. This was not cured by the averment that he owned the wheat on the day the policy was issued. The question is, do the facts stated, when uncontroverted, necessarily determine the amount of damage averred to be that for which the defendant was liable? No action for damages to personal property can be sustained on an averment of ownership at any other time than that at which the damage occurred. The law will not presume that the plaintiff was the owner on the day the damage occurred from the simple admission that he was the owner on a day prior thereto.

AGENTS' AUTHORITY — GUNPOWDER AS "GENERAL MERCHANDISE."—Western Assur-

ance Co. *v.* Rector; Ky. Sr. C., Nov. 4, 1885. In this case the company having sent out its solicitor with blank application to solicit property-owners to have their property insured, it was within the scope of his authority to advise and direct in regard to the form and manner in which the facts should be stated, and the agent having undertaken to fill up the application, as he had authority to do, and the applicant having made true answers, the company cannot depend upon the ground that the answers as written by the agent were not true, and this agent, having apparent authority as to every matter relating to the application, having told the applicant that gunpowder was included in the term "general merchandise," used in the application to describe the appellant's stock of goods, the company cannot depend upon the ground that gunpowder was kept without the written consent of the company, as provided in the policy. In all cases where the agent filling up the application is clothed with real or apparent authority to make a contract of insurance, and knows the facts, the company is estopped from claiming that it has been misled by omissions or misstatements. If the applicant acts in good faith, relying on this apparent authority, and makes true answers to all questions asked, and the agent, without his knowledge or consent, though mistake or ignorance, writes answers deemed by him the equivalent of so much of the answers actually given as he considers necessary to be written, a recovery cannot be prevented by reason of the fact that the agent failed to write all of the answer actually given, or wrote that was the equivalent of the answer so given, though the answer given was not true in fact. If, however, the applicant makes false answers as to matters material to the risk, he knows that the agent has no authority to accept or report them, and the company is not bound, notwithstanding the knowledge of the agent.

KENTUCKY STATUTE—WARRANTY—*Ibid.*—Under our statute, no statement or description in an application for insurance is a warranty. The company is restricted in its defense to the ground of intentional fraud, or of misstatements calculated to deceive, though not so intended, and it is a sufficient reply to either of these defenses to say that the company was not misled in any degree; that the facts, as they were, were fully known to its agents, and that the company took the risk upon the actual facts, and not on the erroneous statement of them contained in the application. How the company got its knowledge is immaterial. Executory contracts, whereby the assured agrees that something shall or shall not be, stand upon the same footing as representations as existing facts, and if the assured fails to perform his promise, the question as in the case of a misrepresentation as to an existing fact, is, first, was there actual fraud? If not, second, was the thing promised to be done, material to the risk?

NOTICE OF ADDITIONAL INSURANCE.—Phœnix Ins. Co. *v.* Spiers; Ky. Sr. C., Nov. 4, 1885.—Under a policy of fire insurance which, by its terms is to become void upon the procurement of additional insurance on the same property without the knowledge or consent of the company, notice of additional insurance to an agent of the company authorized to survey risks, take and forward applications, deliver the policy when sent to him and collect the premium, is not notice to the company and does not affect it, such an agent having no authority to do any act for the company after the delivery of the policy and the payment of the premium.

REPAIRS — BRICK FOR WOOD — DELAY — RENTAL VALUE.—Fire Association *v.* Rosenthal; Pa. S. C., Oct. 5, 1885.—In the trial court the evidence showed that the rear of the building was wooden. Notice was promptly given, and the damages were immediately estimated at $650, which amount the association agreed to pay or proceed to repair. The assured refused this amount and told the company to proceed to repair. The association began work, but after several days' labor had been performed, notice was given to the company and also to the builders by the city authorities that the erection of a wooden building was prohibited. The company abandoned the work, and the assured a few months thereafter began and completed the repairs, using

brick instead of wood, in accordance with police regulations of the city. The assured demanded judgment for the rental value of the building occasioned by the unnecessary delay by the election of the company to repair and its consequent failure to do so. The association contended that, in any event, the plaintiff could not recover an amount beyond the cost of a wooden structure equal to that destroyed; that they were relieved from any obligations which might arise from an election to repair, by being prohibited by an ordinance so to do, and that $650 was adequate to restore the property in wood, hence this amount would be the proper measure of their liability.

Held, That under the agreement the insurance company was bound to effect the same state of repair suitable and appropriate for the same purpose, whether by material of an equal or greater value. The fact that a police regulation prevented the use of wood and that brick was not as cheap, will not operate to release the company from its obligation. The contract of insurance and the election under it were both made after the adoption of the city ordinance. The company was bound to use such materials as was suitable for the purpose and allowed by law.

Held, That the association having undertaken the work and afterwards abandoned it, some compensation was due to the assured for the delay which resulted; and whilst rents, as such, was not perhaps recoverable, the rental value of the property was a proper element in the assessment of damages.

MARINE.

VALUED POLICY.—Williams *v.* Continental Ins. Co.; Minn. U. S. D. C., Sept. 1885.—Insurance was effected under an open cargo policy on a shipment of 17,000 bushels of wheat, in the sum of $8,000, from Duluth to Buffalo, at 2.25 per cent. The sole question was whether the policy was an open or valued one. *Held*, That the policy was not valued, and the value was open to proof from the market price, as it was not agreed upon or expressed in the policy. The evidence of custom and usage cannot be received to change the contract.

LIFE.

PAID UP POLICY.—Germania Life Ins. Co. *v.* Saur; Ky. Sr. C., Oct. 28, 1885.—Appellant issued a life policy in consideration of an annual premium to be paid for ten years, with the provision that if the policy should become void by non-payment of premium after two or more whole years' premiums should have been paid, the company would issue a paid up policy for a ratable amount if the old policy should be surrendered within three months after thus becoming void. *Held*, That each payment not only paid for insurance for the current year, but also paid something as the price of a paid up policy, and in an action against the company for a paid up policy it is no defense that the plaintiff did not demand performance within the prescribed time or within a reasonable time. The company is bound until released by the limitation prescribed by the statute.

ASSESSMENT.

INSURABLE INTEREST OF GRANDSON—COMPLAINT—CONTRACT.—Elkhart Mutual Aid Association *v.* Houghton; Ind. S. C., Oct. 17, 1885.—The amended complaint claims a benefit of $2,000 as provided in the policy. The association defended on the ground that if it was liable at all, it would only be for an amount equal to that realized from one assessment and not to exceed $2,000. On appeal it was *Held*, 1. That in an action on a policy in a mutual benefit association where the complaint averred that the company had refused to pay the policy, or to make an assessment for its payment, and where such policy provided for the payment for a certain sum on proof of death, or so much thereof as may be realized from one assessment not exceeding the sum ($2,000) named, the complaint need not aver the number of members of the association against whom assessment might be made to pay the policy in full or in part, and unless it is set up in defense that an assessment would not produce the amount the plaintiff is entitled to, to recover the sum named. 2. Where a grandfather procures an insurance on his life in favor of a grandson with whom he lives—that the grandson

has such an insurable interest in the life of the grandfather as not to avoid the policy in the absence of fraud. 3. That any person may insure his own life and direct in the policy a lawful appointee to whom the money shall be paid, and such policy will be valid. That an insurance company cannot defend against a policy for that reason as it can be nothing to them to whom the money is payable.

"Contained In."

Payment of loss on a dolman was refused because it was burned elsewhere than where insured. The dolman was insured with other wearing apparel "contained in" a dwelling, but was burned at a store where it had been left. The owner thought it was insured; and the Supreme Court of Wisconsin has just decided, in Noyes *v.* The Northwestern National Ins. Co., that she thought correctly. The Court said:

"The case turns upon the effect of the words 'contained in,' as used in the policy to specify the location of the insured property. We hold that the words in the policy 'contained in the two-story frame dwelling-house,' etc., when applied to the dolman in question, do not constitute a continuing warranty that the same shall always be kept in such dwelling, which would relieve the insurer from liability should it be burned elsewhere; but they are only a warranty that the designated place shall be the usual place of deposit, when the dolman should not be in customary use elsewhere, and if burned when in such use, it is still covered by the policy and the insurer is liable."

Credits, and a National Bankrupt Law, and the Fire Loss.

The relation between the annual fire loss and mercantile and manufacturing credits, as affected by a national bankrupt law, and laws for the collection of debts, is discussed as follows, by G. F. Bissell of Chicago:

Now, recurring once more to the point previously stated, that the possible, or contingent, liability of underwriting institutions amounts to eleven thousand millions of dollars, you will concede, I think, that any cause which affects unfavorably—even though it be to an infinitesimal extent—this vast volume of risks operates to augment the burdens of these institutions, and through them the burdens of the public. A uniform system of bankruptcy and uniform provisions for the collection of debts result in more stable credits; whatever imparts stability and steadiness to mercantile and manufacturing credits, operates to reduce the fire losses of the country, and, consequently, the cost of protection against fire.

A very mistaken impression obtains in respect to what is regarded by underwriters as in the line of their real interest; it is generally supposed that they rather look with favor upon a heavy loss ratio, because it insures high rates of premium and an increase in the volume of business. Nothing could be wider of the truth. The loss paid in a given case is so enormously disproportionate to the premium received, that no attainable rates can compensate for an abnormally high rate of loss. In this particular, underwriting rests upon precisely the same principles as do mercantile credits. Any sensible merchant would prefer a very low margin of profit, with a very high class of credits, to large profits on paper coupled with low credits.

Low rates and light losses are far better for us than large losses and high rates. When credits become unsettled and unstable—when a condition of business exists, wherein frequent and summary processes are resorted to by able and sharp creditors in their efforts to distance competitors—when every business man who has a line of credits out is constantly on the alert, and, upon the first sign of weakness on the part of the debtor, resorts to the swiftest and most ingenious processes known to protect himself from loss and save himself from advantage being taken by others, it will be found that fires enormously increase; be it the result of careless indifference, the result of revenge, or a cool and criminal design to realize—the fact exists, and cannot be gainsaid. Were the results of such crimes confined to those who perpetrate them, the burden would not be so

severe; the heaviest sufferers by these crimes are, usually, innocent neighbors.

The last national bankrupt act ceased to be operative as to new applicants about the middle of the year 1878; the four years preceding 1878 were regarded as years of severe depression, embracing, as they did, the years following the panic of 1873. The four years closing with December 31, 1884, may be said to have embraced two years of prosperity and two years of moderate depression, and so a period of average success. Periods of depression are usually characterized by heavy fire losses; during the first term of years referred to a national bankrupt act was in force; during the past four years there was none. The returns made to the Insurance Department of the State of New York, representing nearly nine-tenths of the entire underwriting business of the country for those two periods, show that, had the loss ratio of the four past years been as favorable as for the four years preceding 1878, the amount of property destroyed by fire would have been diminished by more than *thirty-four millions of dollars*, or, say, eight and one-half millions per annum. The cost of this terrible waste has to be loaded upon the business interests of the country.

Now, let it be distinctly understood that it is not contended that a national bankrupt law will affect, either one way or the other, the losses by fire originating through criminal carelessness, faulty construction, and many other kindred causes; what is claimed is this, that with a uniform method of settling with insolvents, both those who give and those who contract credits, will do so with an intelligent understanding of the methods that will be resorted to in case of embarrassment; that this will operate in the minds of both parties to remove apprehension of undue advantage being taken on either side; and that the effect will be to reduce to its minimum an important element of hazard, well known and understood, and thus the general ratio of loss will be decreased, to the relief of all business interests.

Eighteen co-operatives have failed in Ohio within the past twelve months.

Mutual Endowment Co-operative Insurance.

At present there are three or four assessment companies in this State which differ from the ordinary hat-passer in several important particulars. These co-operative novelties are styled endowment associations, and promise to pay certain sums of money to members at stated periods. One of these concerns is a branch of a notorious Texas fraud; another is a Santa Rosa local enterprise; the third is an Oakland scheme, and the fourth is or was fishing for gudgeons at Livermore. The plan has far less merit, from a benevolent point of view, than that of the ordinary co-operative. The interests of the widows and orphans are practically ignored, for the plan does not provide for the payment of more than one-fifth of a member's certificate in case of death. If a man insured for $2,000 dies, his beneficiaries receive at most only $200. Thus those who need indemnity for the loss of a bread-winner are virtually without any insurance in these bastard societies, and for this reason alone, putting aside the question of ability to execute the so-called endowment contracts, public opinion should discountenance this form of assessment insurance.

The several endowment hat-passers referred to are imitations of a Fort Worth, Texas, humbug, organized about five years ago. The endowment coupons are beginning to mature in this concern, and the result already is financial embarrassment. The death claims are several months behind, and the death fund is, besides, largely in debt to the endowment fund. Both death and endowment claims are discounted, and there are charges of fraud as well as bad management. The Kansas branch has seceded in disgust.

The fate of this association should serve as an emphatic warning to the members of similar associations in this State. All are organized on the same plan, and none can escape the disaster that has already befallen the Mutual Self Endowment and Benevolent Association of Texas.

We present below a few figures which conclusively illustrate the special fallacy of this form of co-operative insurance. The

reader will bear in mind that the coupons are payable in fifths of the estimated life-expectancy of the member:

MUTUAL ENDOWMENT ASSOCIATION OF OAKLAND.

Thirty-eight ages given ranging from 18 to 55, say 100 members each—3,800. Each insured for $5,000. Annual death rate, 1 per cent.; average annual cost, $50; amount of each coupon, $1,000. Association pledges itself to pay in five years—

600 coupons, ages 50 to 55		$600,000
160 coupons, by deaths among remaining 3,200 members		160,000
Total		$760,000
Receipts, $50 per year each from 3,800 members		950,000
Surplus fifth year		$190,000
Add assessments during sixth year		190,000
Resources sixth year		$380,000
Liabilities, 500 coupons maturing sixth year	$500,000	
Liabilities, 32 coupons maturing sixth year by deaths	32,000	532,000
Deficiency		$152,000
Add 500 coupons maturing seventh year		500,000
Add 32 coupons maturing seventh year by deaths		32,000
Total liabilities seventh year		$684,000
Receipts, assessments seventh year		190,000
Deficiency		$494,000
Add 500 coupons maturing eighth year		500,000
Add 100 coupons maturing eighth year, ages 55		100,000
Add 32 coupons maturing eighth year by deaths		32,000
Total liabilities, eighth year		$1,126,000
Receipts, assessments eighth year		190,000
Deficiency		$936,000
Add 500 coupons maturing ninth year		500,000
Add 200 coupons maturing ninth year, ages 54 and 55		200,000
Add 32 coupons maturing ninth year by deaths		32,000
Total liabilities ninth year		$1,668,000
Receipts, assessments ninth year		190,000
Deficiency		$1,478,000
Add 500 coupons maturing tenth year		500,000
Add 300 coupons maturing tenth year, ages 50 to 52		300,000
Add 32 coupons embracing tenth year by deaths		32,000
Liabilities tenth year		$2,310,000
Receipts from assessments		190,000
Deficiency		$2,120,000
Amount to be collected before the original members entering at 25 can collect their first coupon		2,120,000

UNITED ENDOWMENT ASSOCIATES.

Thirty-two different ages, ranging from 18 to 50. Say that there are 100 members of each age, that the membership is kept full by new additions, and that the death rate remains 10 in a 1,000 annually, as co-operative claim, we have:

Membership, 3,200; each one insured for say $3,000. Annual average cost to each would be $30; amount of each coupon, $375. Order pledges itself to pay in five years—		
1,600 coupons, ages 34 to 50, at $375 each		$600,000
80 coupons for deaths among ages 18 to 34		30,000
Total		$630,000
Total receipts during those five years—$30 per year from each member (3,200)		480,000
Deficiency		$150,000
Add 800 coupons, maturing sixth year, ages 26 to 34		300,000
Add 24 coupons for deaths among remaining 2,400 members		9,000
Total liabilities sixth year		$459,000
Total receipts sixth year—$30 each from 3,200 members		96,000
Deficiency		$363,000
Add 800 coupons, maturing seventh year, ages 18 to 26		300,000
Add 400 coupons, maturing seventh year, ages 46 to 50		150,000
Add 20 coupons, maturing seventh year, by death among 2,000		7,500
Total liabilities seventh year		$820,000
Receipts, $30 from 3,200 members		96,000
Deficiency		$724,500

Litigiousness of Insurance Companies.

There is a vast deal of unreasonable and seemingly inerradicable prejudice against insurance companies, based upon the popular belief that they resist the payment of just claims on the slightest pretext that promises success in an action at law. That such a belief is without any foundation in fact every underwriter knows, but, unfortunately, there is an apparent foundation in the technical defense sometimes necessarily employed to defeat unjust claims. The real defense is not permitted many times under equally technical rulings which exclude val-

nable testimony. These cases are exceptional, it is true, but the nature of the defense in the final adjudication in the higher courts is so plainly based upon the mere letter of the law, that public resentment is aroused. The result is a wide dissemination of these exceptional cases, while nothing is said of the numerous other cases wherein the the justice of the companies' cause is admitted by all. The feeling of hostility thus engendered in the public mind is the capital upon which demagogues trade, and it is largely responsible for all injurious, burdensome and unjust legislation.

We compile some figures from an article in the November *Monitor*, relating to this subject of insurance litigiousness, in which the claims paid and resisted since 1873 by the companies reporting to the New York Insurance Department are presented in the aggregate. While these figures are official they are not accurate, many cases awaiting the slow process of the law being reported several times, and many other cases being compromised before the annual reports are made. The figures are approximately correct, however, and should satisfy any reasonable man that insurance companies are not unduly litigious. It is remarkable and creditable to public morals and the companies' fairness, that of the millions of dollars of claims so small a percentage as 1.61 of fire and 1.30 of life and accident were resisted in 1884. In considering this question people forget the opportunities and temptations for fraudulent claims which the managers of insurance companies are in duty bound to resist to the court of last resort.

The tabies referred to are as follows:

FIRE AND MARINE COMPANIES.

Year.	Total Claims.	Resisted.	Per cent. of Resisted.
1873	$48,670,428	$1,084,271	2.22
1874	38,342,363	1,051,838	2.74
1875	39,985,042	942,075	2.36
1876	37,465,836	1,005,418	2.68
1877	38,348,328	1,052,262	2.74
1878	33,146,365	1,065,436	3.21
1879	35,340,661	1,178,560	3.33
1880	36,504,612	457,403	1.25
1881	39,678,351	576,392	1.45
1882	42,065,101	557,454	1.33
1883	46,681,415	590,208	1.27
1884	49,309,918	791,664	1.61

LIFE AND ACCIDENT COMPANIES.

Year.	Total Claims.	Resisted	Per cent. of Resisted.
1873	$34,695,168	$1,037,189	2.99
1874	32,034,309	1,177,640	3 68
1875	33,714,383	1,073,311	3.18
1876	32,142,744	1,106,425	3.44
1877	32,052,063	1,211,945	3.78
1878	36,330,884	1,130,351	3 11
1879	35,570,293	842,304	2.37
1880	35,002,790	887,412	2.54
1881	36,140,621	669,592	1.85
1882	34,600,767	577,853	1.67
1883	38,550,639	622,915	1.62
1884	40,201,230	523,474	1.30

The Ethics of Fire Insurance in England.

The principles which govern the action of persons who are insured against either loss by fire or damage at sea, are somewhat different from those who hold policies of life assurance, The rapidity with which the insured hands over his ship and cargo, and claims a total loss from the marine underwriter, is only equalled by the extraordinary promptness with which persons who are insured against fire think it would be far better to have the house burnt down, and a regular clean-up, so to speak, than to use any efforts to have the fire put out. In a recent fire at Old Brompton near Chatham, the house of a person who was insured against fire being left in charge of his daughter, a fire broke out, and the daughter at once ran to the landlord, who, as a prudent man, first asked whether the house and contents were insured. This question being answered in the affirmative, he then judiciously directed her to lock the front door and come away. The intelligent young woman having put this practical advice into operation, the house was left to the mercy of what is generally known as the devouring element. A party of military shortly arriving, the door was forced open, and the salvage of the furniture commenced by their throwing wood, crockery-ware, and glass alike out of the window on to the pavement beneath. The odd part is that, according to the local reports, the house bears little or no internal evidence of fire and very little of water. This is stated to have been directed through the windows

by the fire brigade, in the hope of putting a stop to the so-called salvage going on inside. It is some consolation to the fire offices to learn that the Admiralty Superintendent who was present, was hit on the head by a portion of the saved property hurled from the window by some intelligent military fireman. There was an actual fire in the music hall known by the title of the Gaiety, and here the salvage went on in grand style, for Mrs. McGrath, who keeps a beer-shop known as the Dew-drop, next door, states that the gallant salvage corps, in addition to damaging her furniture, "saved" the beer from the casks in brilliant style by conveying as much as possible of it inside their own skins.—*London Review.*

Excessive Insurance Cost.

The too great cost of insurance challenges the attention of a frugal public. We pay too much for insurance protection. Aside from losses, the cost of insurance consists of the expenses in the conduct of the business, and profits to the capital engaged in it. The complaint is not that the capital gets undue profits, for, as a rule, it does not; nor that the proper officers and principal agents of companies are overpaid, for ordinarily they are not. Capital thus exposed to peculiar danger is entitled to larger rewards than capital embarked in less hazardous ventures. And the ability demanded in a competent insurance manager is of a superior sort, and its proper compensation is governed in great measure by the price of such ability in the market of skilled services. The talent the business needs it must pay for. Popular prejudices on these accounts may be dismissed as without good reason save in exceptional cases. But the cost justly complained of, is the needless burden of expense involved in the existing methods of the business. No other of our business establishments, holding like relations to the public, cost so much relatively for their maintenance. Insurance institutions have come to be social necessities, and their accommodations should be purchasable by the people as cheaply as they can be furnished. What an insurance company collects of its policy-holders beyond the sum needed for the payment of losses, is simply a charge for transacting the business. And if that charge be greater than the economical carrying on of the business asks for, the public, to that extent, are burdened unjustly.

Plainly, it should not, as for a quarter of a century it has, cost the people of this country a hundred million dollars, and more, to protect themselves by insurance against sixty million dollars' loss of property by fire. The conviction of fault is in the mere statement of fact, and the fault must be capable of reformation. A conspicuous and principal grievance is the payment of 15 per cent. and more of the whole cost of fire insurance in tribute to the brokerage despotism—a tyranny and abuse the public should break and abolish if the companies cannot, or dare not, or will not. This is not difficult if entered upon with resolution. Let the companies, or some of them, refuse to employ brokers or pay brokers' commissions, deal directly with the public, and reduce their charges for insurance by the amount saved on brokerage, and it is done. If any company shall incur private hostility by such a policy, the popular favor will amply indemnify it for any injury such malice can inflict.

The expensiveness of the life insurance policy is not because the level net premium is too high, for the premium is absolutely just, and the policy-holder gets full value. But the complaint justly applies to the excessive expense charge. While the comparison of cost sometimes made between life insurance and assessment insurance, to show the superior cheapness of the latter, is unjust and deceptive, since it does not credit the reserve nor dividends to policy-holders, nor distingnish the quality of the insurance; yet, I am convinced, a material reduction in the expense cost of life insurance can be accomplished by a reform of its business methods and expensive features. A person who wants insurance, life or fire, or other, should be able to buy it at first cost without paying tribute of profits to middlemen. To that complexion the matter will finally be brought by the force of intelligent opinion, whatever resistance may

be opposed by persons whose thrift lies in the perpetuation of the expensive system now in fashion. The simple proposition that the cost of insurance can, and must be reduced, is referred to the astute men in charge of our insurance institutions for their consideration, while the public patience reasonably waits to see that done which can be done better by private enterprise than by compulsion of law.—*Insurance Commissioner Turbox.*

The Local's Memorial.

EDITOR COAST REVIEW:—Your satire on the Local's Memorial in the November number is good. The COAST REVIEW is our bible; and when you lay down the law, or give an opinion, we lend a listening ear. Your correspondents—regular or occasional—generally speak from a circumscribed area and a limited experience. We agree or disagree accordingly as it fits our little world. Therein lies the kernel of all our controversies. No proposition imaginable will suit all. We must compromise, and suggest, and breed in and out, and cross again, until the child is born.

This "Local's Memorial" approaches the grandiloquent largely. So did that little memorial gotten up once upon a time by a band of earnest men, who felt that they had wrongs to redress and rights to justify, and that things temporal were going to the dogs generally. I told the fragile youth who promulgated this local effusion that the "cycle of time" would hurt somebody, and certainly knock the stuffing out of "the course of human events;" and that "cognominate" would bring the spirit of T. Jefferson, Esq., with a club, nightly to his lonely couch; and he would nevermore be happy upon this earth. He has been growing weaker, day by day, and his lines more uncertain and erratic. Since you have sailed into his grandest literary production, his soul is full of misery, and I know he wants to take my usual advice, and go off and die. The desire is commendable. I effect people that way quite frequently, and you and I together, both pulling in the same team, ought to be able to kill off Kinne, Sexton, Geo. Grant, and half a dozen other old stagers, and make room for younger brains —McLellan, of Los Angeles, for instance, who longs for his "well-earned ease, within easy reach of San Francisco."

But let's stick to the text, and make a "clean up" of these locals first. I agree with you, that this memorial proposes to raise old Ned, and usher in a "new order of things forthwith," and "send the old a-kiting." Read it carefully, and you can *see* the rush and *hear* the roar that always accompany these insurance milleniums when they come tearing into our peaceful lives four or five times a year. I told this fragile youth that he would precipitate something, and he did.

The "elevation and recognition of the local as a factor" of anything but cussedness in the business is purely utopian. No intelligent manager cares to know anything about the moral hazard, and he can guess close enough at the physical by his general knowledge of the topography of the country.

The graded commission won't work at all, and, as you say, "it debars the companies from making good local agents out of new material, for the low rate of commission is no inducement to him to give the necessary time to improve his underwriting abilities." Under the present rates of compensation, the local learns very fast. His nights are nights of toil, and his days are spent in keen anxiety for fear he will miss something pertaining to the business. The stimulating difference between a short bit and a long bit, when cut down to the short, will certainly make of him "an indifferent underwriter." Then the merchant agent, and the cross-road and tramp agent, would, under this new regime, as a general thing, only receive ten per cent. And they are the most valuable to the business. They don't bother the office with letters on this or that risk, or with any carefully made diagrams. They, as a rule, simply write a letter and tell the company to insure Mr. Jones' house and barn three miles west of town; or they make a detailed statement on a brick building, and count the number of banisters in the railing around the verandahs, and leave all other information out, and then insure

it for $8,000; and when it burns, the company pay $3,800, and make a clean salvage of $4,200.

SALVAGE, MY BOY.

These Local Memorialists start out so steadily, and in such shoulder to shoulder style, that they evidently mean to propose a whole volume of reforms. Never you worry about the "division of commissions with the assured." They will give that point attention in their next. And then they will go for the very life of insurance, *i. e.*, over-insurance. They will expel an agent, and compel the compact to cancel his commission, when he is caught at it about the third time. Then where would be the fat premium on the $8,000, above recited, and the neat salvage of $4,200? And where, oh! where, would be the New Hampshire and Wisconsin and Ohio valued policy laws? The average anti-insurance lobby in our Legislature would be minus a "fat take."

The company must have a salvage, and "the agent who makes insurance his principal business" always aims to pay the face of the policy, or he will certainly have trouble and lose business. *Ergo,* he will not intentionally overinsure; *ergo,* 25 per cent loss in premiums, and lots of salvage. Oh, this model agent who makes insurance a study must be wiped out. His whining cant, that he doubles and trebles the volume of business in his town or county, by inducing weak-minded property-owners to insure, who have become disgusted with what they term our insurance swindles, and his puny efforts to make the business respectable, do not make up for the loss in salvage. Keep your eye on that.

And then these locals propose to "black list" a fellow for using three or four premiums to pay his butcher and baker's bills—and they will annihilate the credit system, will they? How in the name of sheol can an agent live, if he can't have the use of the company's money for five or six months? And then they propose to back up this grandest of all monopolies, the compact, and make all the companies "realize an increased income," that is, give the little fellows a fair show. And then they are going to teach the assured "that legitimate underwriting and fair rates are to his interest;" and they are going to "reform all their practices," and "educate themselves to be worthy the name of underwriters." And they propose to object to a company writing on a country risk that they know nothing of, and make them report the line to the local agent, so that he, the ignoramus, can stop them from writing $6,000 on a $3,000 stock, and thereby lose premium and salvage.

You are right when you say that the value of the local's services cannot be determined by his premium receipts. But don't you see that this organization proposes to "reform and educate" and manufacture "trained agents?" And don't you see that the whole essence of this memorial is directed against what they cheekily term the illegitimate? And then you forget the "goal of their ambition is to so control the local field that it shall produce a profit to the company," and by the great horn spoon, if you don't write them out and read them out, they will do it. In fact, the peaceful misery that these chaps would inflict upon the managers by making the whole business run smoothly and without a clash, is not to be contemplated. They might work their value up to 50 per cent.

A man once came up out of Nazareth, and taught a new doctrine, and the whole world laughed at him for about eleven hundred years, and then they fought, bled and died to see who could honor him most. So it will be with these "local memorialists." The insurance world will fall down and worship them for giving the only "solution to a vexed problem"—that is, they will in about 2,000 years from now. But you and I may be dead then. We are now alive and near the tail end of the nineteenth century, and you publish an insurance journal and want lots of wrangling and advertising, and expenses, and per diem, to go to Sacramento and stand in with Dornin and Bromwell on all the insurance legislation; and I—well, "I want but little here below" that I can't get.

I am glad to see McLellan of Los Angeles stand in with us. His article is

good. It's six and a half columns long. It bristles with points, and is loaded down with clear and concise facts. The ifs and ands are all eliminated. And then his plan is so distinctly outlined, that the managers can't help but take hold of it forthwith, and they will have it all in running order long before the 2,000 years roll around. Mac ought to have been in the convention. He would have demonstrated to these locals that any plan would be utterly futile. We will hear from him in January. Give him room, only don't give him six columns. No more. Enough is a sufficiency. Yours,

SALVAGE.

Life Insurance Distinguished from Investment.

Life insurance is protection, and only incidentally and in a qualified sense, investment. It is deception to claim that it can be profitable investment, in the commercial use of that term. The value and advantage of life insurance consist not in the possible profits from the money invested in it, but in the provision it makes for the family or for old age, safe from ill fortune.

No person will wisely insure his life from the expectation of money profit. He could only realize that by a premature death. If he lives to, or nearly to, the expectancy of his life, whether his policy be pure insurance or combined with endowment, he pays more than he or his heirs will get; and upon the endowment part, considered as a mere commercial transaction, he is sure to lose even if he survives the term of his policy, and loses all he pays over the cost of simple life insurance if he dies within the term.

For purposes of safe investment and honest gain, a life insurance company cannot be a fit agent, for two principal reasons: First, nearly or quite a quarter of the investment is consumed for the company's support, and is therefore too expensive an investment agency to be a desirable one; Second, the company is not so well constituted to manage the investment safely and judiciously as are other institutions which administer trust funds. A company can pay out no more than its income, and as it consumes approximately a quarter of its income in expenses it certainly cannot honestly make profitable returns to its patrons, however skillfully it may employ the residue of its funds in honest use.

The normal cost of life insurance is fixed by an immutable law of nature. The cost of a specific endowment sum payable at a fixed date is determined by calculations as definite. Both are the same under whatever form of policy contract, and in the price charged for a combined life and endowment policy, the cost of each is reckoned in. So that in respect to relative cost one policy is as good as another. The war of policies now carried on between the companies, wherein one strives to outwit the other in devices to charm the popular favor with illusion of superior merit in its contracts, is not a worthy contention. The victor will but prove his superior skill to deceive the unskilled public. For the man who wants insurance, the plain life policy, with no investment beyond what is needed to protect the insurance, is the cheapest and best. There can be none better while the laws that govern human life remain as they are. If insurance and investment are the the object, each can better be got in its separate place, than by a combination which impoverishes the investment and does not improve or cheapen the insurance.

Life insurance rests its claim to honor upon worthier ground than common selfishness. A man should insure his life as he does his property, for protection against misfortune that otherwise might leave his helpless age to suffer, and the wards of his duty and affection to go without the comforts of life. Upon these reasons, and not by dishonest pretensions of gains as from an investment, the public favor should be sought. While life insurance is not, properly speaking, investment, nor to be recommended as such to persons who seek gainful use for their money, it is a wise financial provision—costly it may be, but well worth the cost—an admirable human contrivance to mitigate the ills of human adversity. The false idea of life insurance as investment begat the equally false conception of life insurance as a bet, and the latter gave birth to the modern tontine, which is a wager.—*Commissioner Tarbox.*

An Interesting Question of Cancellation Settled by Arbitration —Decision of the Arbiters of the Hecht Claim.

A question of more than passing interest has arisen in the settlement of the loss of Hecht Bros. & Co. The history of the case is as follows: The stock of rubber goods in cases, stored in the basement of Hecht Bros. & Co., were subjected to the water seeping in from the burning building of H. S. Crocker & Co. The lower tier of cases, some 500 in number, standing in some six inches of tepid water, were actually damaged. On these the assured claimed a loss of $13,210 upon a sound value of $23,551.58. Without calling in the intervention of appraisers, the committee of adjusters reported to a meeting of the companies in interest, which thereupon instructed them to take the goods at their sound value. At this time the remaining 1000 cases were subject to appraisement —which being subsequently had by appraisers mutually chosen, resulted in an award of $9,743.55, on a sound valuation of 35,-431.12, or a total claim of $22,953.55 on a valuation of $58,982.70. The entire stock on which claim was made was taken over by the underwriters, and immediately upon delivery to Newhall Sons & Co., as agents for the underwriters, the goods were paid for at their sound value. The assured receipted therefor, and agreed to furnish individual receipts to the several companies when required. Thus endeth the first chapter.

All parties now agree that the subsequent disposal of the merchandise did not affect the relations between the companies and the assured. But the question was presented, as to the extent of the reduction of the policies under which loss was paid. This was submitted by the committee to a meeting of the companies; which decided (by a majority of the interests involved), that the measure of loss was the actual amount of money paid over by the underwriters. The minority claimed that the actual loss was determined by the "award of the appraisers."

The controversy has found advocates pro and con in many offices, and in many instances are found houses divided against themselves on the question. The assembled wisdom of the "Association of the Pacific" has determined that the latter proposition is correct. Subsequently, the matter at issue was referred by mutual consent to the arbitration of Charles D. Haven and George C. Boardman, who, failing to concur, submitted the question to Charles R. Story. The opinions of these gentlemen are printed in full, as follows:

CHAS. D. HAVEN'S OPINION.

Messrs. Hecht Bros. & Co., and George D. Dornin, Esq., Chairman of Adjusting Committee:

DEAR SIRS—As one of the arbitrators appointed by you for the disposal of a claim arising from the adjustment of the Hecht Bros. & Co. loss, I submit the following opinion:

Messrs. Hecht Bros. & Co.'s stock of rubber boots, etc., was damaged by water in consequence of a fire upon premises adjacent to those occupied by them.

The appraisal showed a damage amounting to the sum of $22,953.55, which amount the underwriters thought was in excess of the actual amount of damage, and they therefore, in accordance with the conditions of the policies, elected to take the articles damaged at their appraised sound value, viz: $58,982.70.

The damaged articles were delivered to the underwriters in interest by Messrs. Hecht Bros. & Co., without any stipulation whatever as to the time or manner of their disposal, or the disposal of the proceeds of their sale, and the said assured immediately demanded from the underwriters the amount of the appraised sound value of the said damaged stock, viz: $58,982.70, and this sum was paid to them by the underwriters, who claim that their policies should be cancelled in that amount, while Messrs. Hecht Bros. & Co. claim that their policies should only be cancelled for the amount of damage as shown by the appraisal, viz: $22,953.55, and this matter of the amount to be cancelled is the question upon which the committee are called upon to arbitrate.

The policy provides two methods of settling a loss, when the property is damaged, viz: to pay the amount of loss as determined by the appraisal of the damaged articles, or to take the damaged articles and pay the sound value thereof, as fixed by the same appraisal.

When the underwriters elected to take the stock in question, and without any stipulation as to the time or manner of its disposal, and paid therefor the sum of $58,982.70, they indemnified Messrs. Hecht Bros. & Co. in that amount under their policy contracts, and are entitled to cancel that amount of the sum insured, inasmuch as their policy contracts were fulfilled to the extent to which payment was made.

We consider it entirely immaterial to the question involved, that the underwriters sold the goods at auction, and that the net loss to them was less than the sum paid to the assured. The underwriters paid a total loss (so to speak) to the assured upon the damaged portion of their stock, and by so doing they acquired said stock; and the assured having been fully indemnified for said stock, and having parted with it without any stipulation concerning its disposal or proceeds of its sale, certainly had no further interest in it or claim upon it whatsoever, nor was it material to them whether the underwriters sold it or disposed of it for nothing. As evidence of this, the fact that Messrs. Hecht Bros. & Co. demanded and were paid, previously to the sale of the goods, the full amount of their sound value, showed, as it appears to me, that they had no intention or expectation of awaiting the issue of the sale. Further, if it had so happened that this loss had occurred in the spring instead of the fall of the year, when the season was inopportune for the sale of rubber goods, and therefore the underwriters had chosen to store them for a number of months until a better time for their sale, the assured could not have interposed any objection to such a course, for the reason that they had been fully indemnified for the loss of said goods.

I therefore give it as my opinion that the underwriters in interest are entitled to cancel $58,982.70 of the amount of their policies covering upon the said stock of Messrs. Hecht Bros. & Co.

Respectfully submitted,

CHAS. D. HAVEN.

San Francisco, Nov. 28th, 1885.

GEO. C. BOARDMAN'S OPINION.

Messrs. Hecht Bros. & Co. and Geo. D. Dornin, Esq., Chairman of Committee:

GENTLEMEN:—Referring to your letter of 11th inst., appointing Mr. Chas. D. Haven and the undersigned to act as arbitrators in the case which is recited in an accompanying paper, the undersigned submits the following:

In your statement of the case, I find that Messrs. Hecht Bros. & Co. on one side and the several insurance companies mentioned on the other, by mutual agreement submitted the question of the amount of loss and damage to appraisers, mutually chosen; that those appraisers formally reported the sum of $22,953.55 as the loss. This result must be considered the amount of the loss, expressed by both parties under the appraisal, and it was accepted as a finality by Messrs. Hecht Bros. & Co., who, in fact, had no option otherwise.

The insurance companies, on the other hand, seek for a different result by availing themselves of conditions of the policy, and elect to purchase the merchandise that had been appraised at the sound value of $58,932.70. It does not appear that Messrs. Hecht Bros. & Co., by submitting to the conditions of the policy, have by this act consented to or provided for any loss figures different from those first reported.

It seems to me that they were parties to this, only to the extent of admitting the right of the companies to take the goods for their own benefit—that, so far as they were concerned, the amount of loss and damage had been unchangeably agreed upon. In other words, that they had lost no rights belonging to them under the appraisal arbitration. Certainly they can claim that, for the amount of money they received in excess of the appraised loss and damage, they gave full consideration in merchandise, the actual loss being unchanged so far as they were concerned.

In conclusion, the undersigned finds that the actual loss to the assured is the sum reported by the appraisers, and has not been affected by the action of the companies in purchasing and selling the goods.

The purpose of this arbitration being to determine how much has been earned by the insurance companies, it follows from the foregoing that the amount to be credited on the several policies is $22,953.55.

Respectfully submitted.

GEO. C. BOARDMAN.

CHAS. R. STORY'S OPINION.

Mr. Geo. C. Boardman, and Mr. Chas. D. Haven, Arbitrators in the matter of the claim of Messrs. Hecht Bros., & Co. arising from the adjustment of their loss by fire, water, steam and smoke, on October 8th, 1885:

GENTLEMEN:—The sound value of the merchandise damaged was.....$58,932 70
The appraised damage thereto was..... 22,953 55

Difference.....$35,979 15

The underwriters, availing themselves of their privilege under their policies, took such damaged merchandise at its sound value, and paid Messrs. Hecht Bros. & Co. $58,932.70.

You have been mutually appointed to determine how much of the $200,000 (aggregate of Messrs. Hecht Bros. & Co.'s insurances) has been cancelled, and having failed to agree, designated me as the third arbitrator.

You having submitted to me, in writing, your conclusions, respectively, I herewith, in like manner, submit to you mine, to-wit:

The underwriters having paid Messrs. Hecht Bros. & Co., the sound value of the merchandise by that act, became the absolute owners thereof, and Messrs. Hecht Bros. & Co. ceased to have any interest whatever therein. The underwriters were at liberty to retain, sell or destroy the said merchandise, and Messrs. Hecht Bros. & Co. in no wise participated in any profit or loss arising from the disposition of the same.

Accepting this view of the matter, the $200 000 aggregate insurance was cancelled either in the sum of $58,932.70, or in the sum of $22,953 55, Up to this point, I believe, we three are in accord.

Since reading several times your respective communications, and subsequently listening to your oral arguments, I have given the subject much careful consideration, realizing its importance, not on account o the results in the case of Messrs. Hecht Bros. & Co. so much as in the establishment of a precedent for the guidance of our fraternity hereafter.

While my sympathies naturally would tend towards the larger sum, my judgment is strong in favor of the smaller.

Virtually, the underwriters pay the damage, $22,953.55, and the further sum of $35,979.15 to make up the sound value and secure a chance to reduce their actual loss.

I am unable to arrive at the conclusion that the underwriters had the privilege of taking the merchandise at its sound value and dispensing with the appraisal of damage. The policies provide for such an appraisal of damage before the underwriters have the option of taking the merchandise at its sound value. Such being the fact, that appraised damage is the amount to be deducted in cancellation from the aggregate insurance, and the damaged goods, in the case under consideration, were sold by Hecht Bros. & Co. for $35,979.15 to the underwriters, under a contract giving the underwriters the option to so purchase, but the position of Messrs. Hecht Bros. & Co. was the same as to partial cancellation of the aggregate insurances, as if they had been paid the $22,953.55 by the underwriters, and had sold the damaged merchandise to other parties than the underwriters for $35,979.15 or any other sum.

My conclusion is that Messrs. Hecht Bros, & Co.'s $200,000 insurance has been cancelled in the sum of $22,953.55, and in no greater sum. Very respectfully,

CHAS. R. STORY.

Geo. D. Dornin, Chairman of Committee of Adjustment of the Hecht claim, presents his views on the question at issue as follows:

WHAT IS THE MEASURE OF DAMAGES ?

The writer professes to be one of those "heretics" who believe that when the assured is indemnified—made good—for any loss which he may sustain under a contract for insurance, the policy is exhausted to that extent. I do not find any specific decision covering this exact question; hence, I infer that the matter hitherto has been so clear and so disposed of as not to require the intervention of the Courts.

My early education, as an adjuster for the time-tried and fire-tested Bird, "whose son never sets," taught me to betieve that the ultimatum of "appraisers mutually chosen" does not always decide the actual disposition of a claim; and this has been confirmed by a large and varied subsequent experience.

As I read the modern contract, we agree to "make good all such immediate loss or damage" as may be sustained on the property insured, whether by fire, steam, water, smoke, the arbitrament of disinterested (?) appraisers, or any other source of which fire was the proximate cause.

This is the first great, underlying principle of the insurance contract,—to "indemnify" the assured for any loss which he may sustain, and the policy provides for the method of determining the loss. A., B. & Co. are damaged. The companies ask them to lay aside and schedule the damaged goods, and they elect to take these goods at their sound value. The assured thus sustained loss to the extent of the sound value of the goods thus taken over. Fire was the proximate cause which led up to the ultimate loss, and this, under the contract, the insurers "make good," and to that extent the policy is exhausted. "But," say the other side, "your policy says the award of the appraisers mutually chosen shall be binding as to such loss or damage." As I read the ordinary policy, the little word "only" comes in to qualify this, and with this condition, should be coupled what follows:

"The company reserves the right to take the whole or any part of the articles at their appraised or agreed value."

This is the process of arriving at the loss. The appraisers determine only what, in their opinion, is the actual damage to the property, but do not decide the right of the company to go further and elect to make a total loss under the policy, and indemnify —make good—the assured therefor.

Following down your policy conditions, "the company reserves the right to replace the goods with others of approximate kind and quality." A. B. & Co, in the hypothetical case referred to, are damaged, and their goods "taken" to the extent of $50,000, sound value, and replaced by an equal amount of approximate kind and value, to their entire satisfaction. Will the gentlemen who take the other view tell me how much we have "indemnified" Messrs. A. B. & Co.?

Bear in mind that this argument is based upon the theory that no antecedent stipulation is made that the goods upon which the claim is made are to be sold for account of those whom it may concern, and the result of the sale determines the measure of loss. Such a stipulation would be entirely in order, and has been, at times, on occasion, resorted to as a part of the process of adjustment. Such a course would determine without further question the measure of liability, but I apprehend would not be entered into freely by policy-holders, in view of the well-understood liberality of appraisers in case of partial loss.

In the recent case in this city, which has brought about this discussion, there was no agreement between the parties, that the goods should be taken over and disposed of at auction, and the proofs of loss made up upon the basis of the net loss thereby determined, but an absolute election to take the goods at the agreed value, and pay for the same on delivery, which was done.

Wood on Fire Insurance, Section 461, p. 773, says:

"When, as sometimes happens, the insurers pay to the assured the full value of a parcel of goods which have been damaged, leaving the property in the hands of an auctioneer to be disposed of, in such a case, and *whenever the assured receives the full value of his property, and his claim is so dis-*

charged, the salvage, as we have seen, belongs to the insurers, and should it eventually, upon a rise in the market, fetch more money than they have paid to the assured, they will be entitled to retain the whole, as purchasers of the goods." G. D. D.

Presentation to C. P. Farnfield.

C. P. Farnfield, the late general agent of the Union Ins. Co., of this city, having accepted the position of Secretary of the Anglo-Nevada Assurance Corporation, his old associates, the officers and employés of the Union Ins. Co., joined in presenting him with a handsome little testimonial of their personal esteem, together with an address expressing their friendly sentiments, and warmly congratulating him on his advancement. The testimonial was a beautiful inkstand of cut glass, with ebony base, pen racks, etc. The ink cups have solid silver tops, on each of which is the recipient's monagram. An ornamental silver shield in the centre is appropriately inscribed.

The address, which was signed by the officers and employés of the company, was as follows:

SAN FRANCISCO, Nov. 25th, 1885.

To C. P. Farnfield, Esq.:

DEAR SIR —We, the undersigned, officers and employés of the Union Insurance company, in view of your departure from among us to assume the duties of Secretary in a similar organization, desire to give expression to the kindly sentiments we entertain for you, and beg to say that in the severance of your connection with us, our Company loses the services of a faithful employé, and we, the association of an agreeable companion, and that while regreting the same, we most heartily congratulate you on your advancement in position, and the company to which you go, on securing the services of so able an officer.

Wishing you a full measure of success in your future career, and trusting that the friendly relations which have for so many years existed between us may still continue, and with assurance of our high esteem.

Mr. Farnfield replied in a few appropriate remarks, expressing an appreciation of the testimonial and good wishes of his confreres in the office. President Touchard volunteered a few words appropriate to the occasion, after which every one present pledged Mr. Farnfield's health and prosperity in sparkling champagne.

The Assessment System Offers Inducements to Crime—Views of a Disinterested Lawyer.

Every reader of insurance journals is familiar with the fact that the assessment life insurance system, especially the graveyard variety, affords peculiar opportunities to criminally minded persons. They easily become members of any fraternal or business co-operative, and in both they find in tempting plainness extraordinary facilities for fraudulent practices. They may organize assessment companies without capital, and create even better facilities for extensive robbery, or with brazen faces may rapidly advance to the most influential and profitable places in the fraternal societies, where they may long defy detection.

The sick and the aged are insured as good subjects, dummies are entered as members and then "killed off," and officers conspire with rascally physicians and thieving confederates, and divide the plunder. A great deal of this villainy is exposed, but a greater deal is successfully "covered up." Occasionally, however, a Morrison is sent to the penitentiary or a Bowers is caught.

The arrest of Dr. Bowers for the murder of his wife, who was insured in several orders, has elicited a discussion of this subject in legal circles, from which it appears that lawyers, as well as life insurance men, know that the loose methods of the assessment system are responsible for many embezzlements, conspiracies, robberies and murders.

Assistant District Attorney Dare of this city expressed himself freely on this topic in a recent interview, and declared that the assessment system tended to produce crime, because of facilities for getting money by crookedness. An evening paper reports Mr. Dare's views as follows:

ASSISTANT DISTRICT ATTORNEY DARE'S VIEWS.

"In the first place the orders are so peculiarly constituted that moral or social standing is not necessary to admission, and indirectly a bribe is placed upon examining physicians to pass applicants. Certainly honorable physicians are in a majority of cases selected for the examiner's office, but

scheming and unprincipled men will fasten themselves to them, and when they do get in every inducement is offered for them to abuse their trust. For instance, if an applicant is passed the examiner gets a fee; if he is rejected, he does not. The result is that an unprincipled examiner, when such a one is in office, will strain his privileges to admit him.

Again, the looseness with which the thing is conducted renders it easy for a schemer to commit crime, and in many cases to cover it. Whether he is successful in covering up his work or not the incentive is no less great, and he takes the risks. Dr. Morrison, who is now serving time in the penitentiary, would not be there but for the looseness of this system. The fact that it was possible far him to use dummies is a perfect evidence of the looseness of which I speak.

"And in another case, we see by the testimoney of a witness at the Coroner's inquest yesterday, that Dr. Bowers started a beneficiary lodge in his own parlor. His wife suggested the applicants' names, Bowers was the examining physician, and the whole transaction was conducted without going outside of his own parlor. Bowers was a beneficiary to the extent of $17,000, and upon this he paid about $400 yearly. Now it is a mathematical impossibility for such a system of insurance to be perpetuated. It causes a drain upon those paying assessments which in time becomes too burdensome to bear.

"Suppose an unscrupulous villain had $20,000 insurance on the life of his wife, she being nothing but a burden to him in every way. Besides having her unwelcome presence upon him, he has to pay a sum in assessments which tells upon his income. By her living he has nothing but assessments and dissatisfaction; by her death he might become the possessor of $20,000. This is a hypothetical case, but it does not exaggerate what might exist.

"The intentions of the members of the organizations are undoubtedly mutual benefit and assistance, and I do not wish to be understood as saying anything reflecting on their intentions; but, nevertheless, I must maintain that crime is increasing through their insurance system. The institutions are yet too young to afford any certain data on the question, but when the time comes and figures are obtainable I have no doubt that my position will be sustained."

Why is the Life Agents' Work Difficult?

At the last monthly meeting of the Boston Life Underwriters' Association, Emil Schwab, of *The Standard*, read a paper: "Why is the Life Agents' Work Difficult?" from which the following extracts are made:

Scarcely any commodity, tangible or intangible, is harder to sell than life insurance. In spite of the immense figures that express the results hitherto achieved, it is well known that the material left to work on transcends by far that portion of the community which has done its full duty in that respect. The knowledge of this plentitude of material is even one of the thoughts that buoy up the solicitor in his arduous work. There are, it is true, occasionally persons to be found who possess a peculiar, indefinable quality which enables them to secure applications for life insurance to an extent inexplicable to the average mind; but they are few, very few indeed. You can count them on the fingers of one hand, and even they probably find the work they perform anything but child's play.

We are unfortunately familiar with the type, "who knows it all," "who can insure himself," "who can take care of his money better than the companies," and so forth *ad infinitum*—and permit me to say—*ad nauseam*. Equally well known to us is the naively serene creature, who begins to figure that in x years his premiums put at compound interest will amount to y, blissfully unconscious of the fact that he runs an equal hazard with the rest of us to be whacked off to the Stygian shades at short notice. I suppose that is human nature, though—this feeling that it is always the "other fellow" who will have to take it. And, mark you, even if this airy calculator should live through the period set by him for the investment he maps out, the chances are that he won't do anything of the kind,

and find himself at its end without the money or the insurance it would have brought. He is like the austere elderly individual, to whom fortune had not been propitious, and who met a friend of his on a Back Bay street, voluptuously puffing a good cigar. The epicurean friend was also in moderate circumstances, but had enjoyed life as he went along. Quoth Austerity: "Still smoking, I notice?" "As you see," answered Epicurus. "Go to theatres, balls, lectures and operas?" "Yes, sir; just the same as ever." "Been keeping it up these forty years?" "Right you are." (Impressively)—"Do you know, sir, that had you saved the money thus squandered, you could own one of these brown-stone fronts?" "No doubt of it. But, let's see—you don't smoke?" "No, sir!" "Don't go to balls, or operas or concerts?" "Never!" "Well, pray tell me, where is your brown-stone front?"

When it is considered to how great a degree the institution of life insurance has been exempt from the conceded fallibility of all things terrestrial; when it can be truthfully stated that the proportion of losses to the entire volume of business transacted, is and was much smaller than any branch of commercial, political or financial activity can show, even during the most trying times of the last fifteen years, not yielding as a whole to the general government itself in stability; when we know that the delinquent corporations were mostly the outcome of a period notorious for the hectic flush of a fictitious prosperity, that even they did much good before their dissolution, and that, when the crash came, all those working under true principles and honest management triumphantly rode out the storm, scoring a record that may well challenge the admiration of the world—when all these points are considered, I repeat, it seems as if the glibly-launched, flippant objection, "what if the company busts?" should have had its day, and be removed from the list of the life agent's trials. People, no matter how closely they scrutinize their investments, don't venture on any such bald insinuations to individuals that offer to sell them bank stock, or mining shares, or municipal bonds, and yet none of these securities can compare with the life policy as regards the extent to which they have been honored. And it is pertinent to this matter that among the select assembly of high-priced defaulters now breathing the bracing breezes of Canada, including bank presidents, school trustees, city treasurers, and other betrayers of monetary trusts, not a single insurance official is to be found. There is not another institution existing wherein enormous sums of money belonging to others are administered with such absolute fidelity as in life insurance; none is more self-perpetuating, and it is founded on such irrefutable data that, when its principles are properly understood and observed, failure is simply impossible.

It seems to me that an excellent way to protect the people from the delusions of co-operativism would be to introduce problems involving the fundamental principles of life insurance into the text-books used in our common schools. It was my privilege some time ago to present this thought to you in a contribution to *The Solicitor*, and I hear with pleasure that the president of a prominent company is at present engaged in putting an idea of the kind into practical execution. There is certainly no reason why life insurance should be the Cinderella of educational topics, and why it should not have its place in our common school arithmetics, as well as alligation, interest, mensuration and the four elements. When this reform is once generally established, the man will be rare indeed who believes that by some hocus-pocus a dollar's worth of reliable life insurance can be furnished for ten cents.

Elizur Wright, the well-known actuary, died at Milford, Mass., on November 22d, in his 82d year. Mr. Wright became the first Insurance Commissioner of Massachusetts in 1858, and since that time, until within a few years, has been prominent and influential in the world of life insurance. He was a zealous and fearless abolitionist in the days of slavery, and in later years his surplus energies found congenial employment in the advocacy of woman suffrage and free-thinking views.

Life Insurance Becoming More of a Necessity.

Many men who have been fairly successful in life are indifferent to or underestimate the value of life insurance. They are our self-made men, who realize that their buffetings with fortune have developed the "stuff" that is in them. They regard with comparative indifference the possibility of a similar struggle for their sons, and may doubt the value of the independence which life insurance guarantees. We should like to have these successful men within earshot for a few minutes, that we might call their attention to a few facts illustrating the growing need of life insurance. If we should convert them to our way of thinking, it might moderate their conceit a trifle, but they would depart with a wholesome regard for life insurance and with the conviction that the battle for success awaiting the young men of the new generation will not be so easily won as that in which the men of the present generation gained the victory.

Never again, probably, will there be such opportunities for business success and ordinary prosperity as the past twenty-five years have afforded in the United States. Our successful men, in their pride, are apt to forget that these twenty-five years were an extraordinary period of industrial and commercial opportunities growing out of civil war and the rapid growth of the country. The sons of these men will never have equal chances of success. They must, therefore, begin the battle of life equipped with a special and general education, and ought to be provided with the "start" which their fathers so easily earned. The "struggle for existence" is growing keener year by year in this country, and the chances of success or prosperity are correspondingly diminishing.

Under the changed condition of things, life insurance is yearly becoming more of a necessity. Business men who fail no longer find it easy to regain success. If they die insolvent, their families must endure hardships and suffer the neglect of a selfish world less charitable than in the simpler life of a generation ago. The new conditions of prosperity, as well as of success, require the education and independence and social advantages which a competence, however moderate, alone guarantees. Life insurance, and genuine, old-line life insurance at that, is the only assurance a man can have of the education and decent prosperity of his children in the event of his death.

Canada's New Co-operative Law.

The act regulating co-operative life insurance associations in Canada having received "the royal assent," is now a law. This act does not apply to fraternal, benevolent, industrial or religious societies. An excellent provision of the new law is that requiring the payment of certificates in full. California needs a similar law for the protection of members of co-operatives.

We abridge the new law as follows:

Assessment or co-operative life insurance companies must make annual returns of their condition and affairs to the Superintendent of Insurance, who shall include such returns in his annual report.

Foreign co-operatives must deposit $50,000 with the Minister of Finance, but the right to transact business in the Dominion ceases when losses are not paid in full. The Superintendent of Insurance is empowered to require an additional deposit.

Death claims shall be a first charge on all moneys realized from assessments, and no deduction shall be made from any such death claims on any account whatsoever.

No portion of any moneys received from assessments for death claims shall be used for any expense whatever, and every notice of any assessment shall truly specify the cause and purpose thereof.

Every application, policy and certificate, issued or used by such company in Canada, shall have printed thereon, in a conspicuous place, in different colored ink in good sized type, the following words:

"This association is not required by law to maintain the reserve which is required of ordinary life insurance companies."

Every certificate and policy shall contain a promise to pay *the whole amount* therein mentioned out of the death fund of the association and out of any moneys realized from assessments to be made for that pur-

pose, and every such association shall be bound forthwith and from time to time to make assessments to an amount adequate with its other available funds to pay all obligations created under any such certificate or policy without deduction or abatement.

No policy or certificate shall contain or have endorsed upon it any condition providing that such policy or certificate shall be avoided by reason of any statement contained in the application therefor being untrue, unless such condition is limited to cases in which such statement is material to the contract.

No company shall carry on within Canada any business of the nature described in the second section of this act, without being licensed under the act above cited, or being registered under this act, and the words "assessment system" shall be printed in large type at the head of every policy and every application for the same, and also in every circular and advertisement issued or used in Canada.

A Supreme Court Decision.

LIMITATION CLAUSE.—Garido *v.* American Central Ins. Co.; Cal. S. C., Nov. 20, 1885. The property insured was destroyed February 15, 1880. The assured gave immediate notice of the loss, and as soon thereafter as practicable made proofs as required by the policy. The complaint was filed Nov. 1, 1881. The policy contained the clause that any suit or action thereon should be commenced within twelve months next after the loss. The action not having been commenced until nearly two years after the fire, the plaintiff endeavored to prove, and claims, and the Court below found, that in and about negotiations for a compromise the conduct of the defendant was such that it impliedly agreed to suspend the clause above referred to, and that the defendant held out hopes that an adjustment would be made, and induced the plaintiff and the assured to delay bringing the suit within one year after the loss.

Admitting that the agent, Snow, had full authority, we do not think there is evidence upon which to base the above findings. On the contrary, we think the plaintiff acted entirely upon his own judgment and that of his attorney.

Whatever may have been the effect of the negotiations prior to January 21, 1881, on that day plaintiff was distinctly informed of the position of the defendant. This was in ample time to commence the suit.

Judgment and order reversed, and cause remanded for a new trial. MYRICK, J.

Repudiation by the California Life and Accident Association.

MENDOCINO, November 25, 1885.

EDITOR COAST REVIEW:—As you seem to be the only man that takes an interest in showing up hat-passers and kindred humbugs, I want to give you a show to come out on some more of the parasites.

Last June there arrived in the town of Mendocino two young sprigs from San Francisco, who represented themselves as special agents for the California Life and Accident. They were fluent talkers, and were not very particular in adhering to the truth; and, by misrepresentations and falsehoods, they insured some sixteen or eighteen men in this neighborhood. But very soon the assessments began to come in hand over hand, and most of the victims threw away their fancy papers, called policies—or rather miscalled.

Among the victims of misplaced confidence in this town was a man by the name of A. O. Holland, who insured with those young special agents. After most of the dupes these men caught had thrown away their worthless policies, this gentleman held on to his; but, lo and behold, in the course of time Mr. Holland was hurt in the Mendocino woods. He wrote to the company, stating the nature of the injury. Not receiving an answer for some time, he went to Dr. Miliken of this town, and requested him to write for him. Dr. Miliken did so, and it seems, requested them to forward a lot of papers, so as to make the claim up, and present it to the hat-passer for payment. The head of the concern at San Francisco wrote back, stating that they had sent two sets of papers already, which never arrived here—and I don't believe at any other place. Any way, they forwarded a set of papers; they

were filled out carefully here acco ding to the hat-passer's instructions, and returned to San Francisco, where those fellows claim to hold untold treasures to pay their claims with. Now the fun comes in, but unfortunately, not on poor Holland's side. In about three weeks after the claim-papers left here, all filled up correctly, an answer came back from the hat-passer's office on Montgomery street, stating that Mr. Holland had no claim.

The California Life and Accident have still another claim in this town that they went back on. This other victim is N. G. Klinke. He was laid up some three weeks, and wrote letter after letter, but received no answer. Finally they sent him a lot of papers; but it was the same as usual—no claim. Both of those men live right here, and I am personally acquainted with them; and they will only be too glad to make an affidavit to every word used in this letter. So much for the California Life and Accident Humbug of San Francisco. M. J. B.

Moore on Contingent Commissions.

The COAST REVIEW for October contained extracts from a letter opposing the payment of contingent commissions to agents, written by Col. Cunningham, of the Glens Falls Ins. Co., in reply to the arguments advanced by Vice-President Moore of the Continental Ins. Co. Mr. Moore "comes back at him" as follows:

It must be discouraging to all exponents of the plan to find so able an underwriter as Col. Cunningham arrayed upon such untenable ground as that taken by him in the letter referred to. If so bright a man as he needs to be dislodged from such arguments what may we expect from men of less acuteness and experience?

The Colonel says he deprecates the plan "because it violates the fundamental principles of average which enter into our business," and yet he proceeds immediately to build a theory in opposition to it upon a supposed case which violates those same principles of average from A to Z. He urges that in a business, for example, of a hundred agencies of $1,000 annual premiums each where twenty should lose $4,000 each and eighty should lose nothing the company would be out of pocket. Of course it would. If agencies lost in that proportion we could not afford to pay 10 straight and 15 per cent. contingent. Why did he not suppose a case where one agency should lose $100,000 and ninety-nine should lose nothing? One is as supposable as the other, and both impossible. Why not take the facts of an agency experience? They are ascertainable. The Colonel never knew an agency system in this country, or any other, having an experience similar to his supposable case. He will find, if he works out his own company's experience, as I did that of the Continental, that it has made its losses substantially on the same table of percentages. If the opponents of the contingent commission would only stop building theories on supposititious impossible cases, and take the facts as they exist and apply theories to them, we would have less opposition to the plan. The contingent plan has plenty of experience back of it. It has been tried.

The Colonel, referring to my table, says: "We find that on a basis of 60 per cent loss, *which the figures seem to indicate*," etc. Now how did the Colonel reach that conclusion? The table does not furnish him or any other mathematician with sufficient data to calculate the percentage of loss to premium. Let him take a second look at it and he will see that it does not. I will now inform him that the losses were, in fact, below 50 per cent. of the premiums. The table covers only the "recording" business of the Continental. But take the Colonel's example for the purpose of meeting his argument. He estimates $6,000,000 losses out of $10,000,000 premiums and a margin of only $4,000,000 for expenses and profits, and then he argues triumphantly that we would have been sorely out of pocket to have paid a contingent averaging 18 14-100 per cent. on such a result, and so we would have been in truth! It would have been dear at 15 per cent. straight. In other words, the Colonel applies a contingent cost to a straight commission business. Is it possible that he intends to argue that we would

have reached the same loss experience on a contingent plan of paying agents? What are the facts? Our losses were, say, 50 per cent. on the business covered by the table under a straight commission, but our experience on our contingent agencies was a loss of less than *thirty-three per cent.*, even in 1884. Suppose on his figures of a business of $10,000,000, that all of our business had been done on the contingent plan and the percentage of loss had been 33 per cent. instead of 50 per cent. we would have paid $314,000 more in commissions to agents, but our losses would have been $1,670,000 less, and we would have added $1,356,000 more to our net surplus than we did. How does that supposable case strike the Colonel? Our contingent agencies did not conduct their business under the most favorable circumstances for success, either. We were burned out, in more than one instance, by straight commission companies on exposing risks. For its full success it requires that all agents of all companies should be paid according to results. If the Continental could have conducted its business on the plan of contingent payment without the co-operation of other companies, whose opposition would be embarrassing, the Colonel may be certain that its officers would not have spent any of their time trying to convince him, or any other underwriter, of the profitableness of the plan.

The Colonel quotes an agent who objects to the plan, because "it adds too much alarm to the fire bell." I think we need a little more of that alarm in our business. There is too much indifference to the fire bell at present. He objects, too, because the agent's desire for contingent would resemble the eagerness of the gambler. I trust it would; gamblers play to win, and they lose no points through indifference. A little of their intense interest would improve our business, and produce different results.

As to the payment on one, three or five years' business, it makes no difference how the contingent is computed, so far as results are concerned. It is all a question of arithmetic. The percentage can be adjusted to one year's business as easily as to a longer experience. The only difference would be that a higher percentage of contingent would be necessary for a three years' experience than for one. The agents, however, would work with greater zest and encouragement for an annual settlement, and the table shows the cost to be 18 14-100 per cent. on a contingent of 10 and 15 per cent., which the Colonel, with the frankness of the honest man he is, admits.

The Colonel says his company has had some contingent agencies. If he has had as many as fifty, and his contingent percentage was equal to or greater than his straight percentage, I will wage that their losses were less than 35 per cent. of their premiums.

The Colonel says: "Our agents are likely to be what we make them." I disagree with him. They are likely to be what God made them—neither better nor worse than their fellow clay. They are *human* men, as the Rev. Chadband would say, and they will work better for themselves than they will for Col. Cunningham or anybody else. The best of them will work harder and give more of their time and thought to the business if they can make more money in proportion to their work, and the unscrupulous and negligent ones will work harder if their pay depends upon their doing so.

"Rates are Too High."

How easy this assertion rolls over the tongue of those who *haven't* stopped to consider the matter. Now, let's think a minute; 5% is the rate on yonder frame range. Seems high, don't it? Well, it is high; but do you know just what it means? It means that we are wagering that the range will last *twenty years.* Think of it! *Twenty years.* In other words, if that range burns inside of twenty years the company loses money; if it lasts *twenty-five years* and then burns, the company not only profits to the extent of five premiums; they must carry the risk twenty years to keep even.

Or look at your neighbor's house, a dwelling, rate, say 1%; the company must carry it over *one hundred years* to be able to pay the loss and make any profit on it. Would the assured bet his money against such odds?

We don't think he would; and still they talk about rates being too high.—*Fireman's Fund Record.*

Beyond the Rockies.

There is "talk" of a $200,000 live stock-insurance company in New York.

The Supreme Court of Iowa has decided that a city cannot exclude lumber yards from its fire limits.

There are over 2,000 miles of telegraph wire underground in Chicago, and they are not stored in cellars, either. Overhead wires must go.

Geo. H. Andrews, who was elected Vice-President of the Mutual Life Ins. Co. last April, died of peritonitis on the 18th of November.

Since the great fire the City Council of Galveston, Texas, has passed an ordinance requiring the use of fire-proof roofing on all buildings hereafter constructed within the city limits.

An agent at Zenia, Ohio, failed to cancel a policy when ordered to do so by his company, and the company has sued him for the $850 loss which followed. In a similar suit brought against J. M. Sears & Co., of Cincinnati, the company won.

The license of the Mutual Reserve Fund Life Association has been revoked by the Missouri Insurance Commissioner. The association was unable to comply with the law requiring a deposit of $100,000. At least we conclude they were unable, as the officers professed a willingness to make the required deposit.

Hear! Hear! *Insurance* says: One fortunately probable result of the recent election in Ohio is, that Mr. H. J. Reinmund, the Insurance Commissioner, will not be his own successor upon the expiration of his present term of office. Reinmund is undoubtedly an ass whose asininity cannot be surpassed by any future Insurance Commissioner of Ohio.

The application for a receiver for the Charter Oak Life Insurance Co. has been withdrawn. It is understood that the company building in Hartford, which cost $845,000, and be inventoried at $600,000, will be purchased by a number of policy-holders at the latter figure. The Insurance Commissioner has rated the building at $300,000 only. The disposal of the building will re-establish the solvency of the company.

The *Standard*, of Boston, says that a general improvement in business is reported by marine underwriters in that city, notwithstanding rates remain at ruinously low figures. The gales during the month of October were of short duration, and the grain and produce shipments have proved profitable to the Boston companies. This is attributed to the infrequency of heavy stoims, and to the great efficiency of the United States Signal Service.

Recently a fire broke out near a large menagerie at Moscow. As it was impossible to save all the lions and elephants, the manager of the establishment was requested to point out such of his treasures as could be removed with safety. When he passed by the monkey cage, a big orang-outang screamed out: "For God's sake, let me out, I never was a monkey until I came here. I am an honest man; save me."

The reader will remember that the Mutual Reserve Fund Life Association, of New York, and other hat-passers, refused to pay the Bauer claim, although the old-line companies, after due investigation, paid promptly. An account of the case was given in the September COAST REVIEW, under the head of "Co-operative Ghouls." Mr. Bauer was not intimidated into the acceptance of a compromise, however, and the co-operatives have therefore paid his claim, and in doing so have acknowledged that there were no reasonable grounds for suspecting fraud.

A Maryland mutual endowment association required quarterly payments, according to its certificates, but the managers, becoming "hard up," required ten dollars in advance for the year. Payment was refused to the

beneficiary of a member who failed to pay the dues for the four quarters in advance, but the Maryland Supreme Court, in Essenden, Admr., *v.* Mutual Endowment Association, has decided that there was no forfeiture, and that the tricky managers must pass the hat for the benefit of the beneficiary.

A correspondent of a St. Louis paper gives an account of the arrest of a fidelity-bonded man who had taken a train for Canada. Under the elaborate system of surveillance practiced by the surety companies, Clason Graham, of New York, was reported as becoming a lounger about town at night, and suspiciously lavish in the expenditure of money. Detectives in the employ of the interested fidelity company "shadowed" Graham thereafter, and when he cashed a $26,000 check belonging to his employers and started for Canada with his plunder, a spy followed him and procured his arrest a few hours later.

The legal effect of binding a risk by telephone communication has just been passed upon by Judge Sage and a jury, in the United States District Court, at Cincinnati. In the suit of the Tacoma Packet Company *v.* the Eureka Insurance Company, the jury gave the plaintiff a verdict for the full amount of the policy. The steamer *W. P. Thompson* was insured by the company, and it was claimed by the plaintiffs that an agreement was made by telephone extending the privilege to the Mississippi River. The Court instructed the jury that if the defendant was in the habit of accepting applications for insurance by telephone, a message to a clerk which the company knew had been received, would bind it, unless there was express dissent thereto.

"The One-Premium Assurance Society" is being launched in Manchester, England. For every payment from 2s. 6d. upwards, a policy will be granted which can never be disputed, and will be payable on production of the certificate of death, thus securing a benefit special to this form of saving, and making due provision for the close of life. If a person at the age of 16 pays to the society £2, he will be absolutely assured for £5 13s. 8.; and, if at the age of 20, he is able to save a further sum of £5, he will hold policies representing £18 15s. 6d., payable at death, whenever that event may happen. Eighty per cent. of all premiums will be immediately invested in the names of the trustees to meet claims on policies. Policies will be accepted by the society as security for loans at 5 per cent. interest. Every policy therefore becomes not only a provision for death, but a security for the possible requirements of life to the extent of three-fourths of all payments made. Should a member prefer to give up his policy instead of borrowing upon it, a surrender value, after three months from the date of entry, of 75 per cent. of the premium paid will be allowed for it; and subsequently this proportion will be increased.

The Galveston Fire.

Between the hours of 1 and 2 on the night of November 12th, a fire broke out in a foundry near the residence portion of Galveston, Texas, and in the space of ten hours destroyed forty blocks of dwellings. A high gale of sixty miles an hour was blowing at the time, and until it subsided, at 8 o'clock the following morning, the firemen were powerless. The burned district covers about 100 acres, is a mile in length, and in shape resembles a huge fan. The loss is estimated at $1,500,000, of which over $1,000,000 was covered by insurance.

The Galveston papers give a list of companies and the aggregate of policies as follows. Many of the companies had largely re-insured, of course, and there was doubtless some salvage:

Fire Insurance Ass'n, London	$126,000
Continental, N. Y.	63,825
New Orleans	54,000
City of London	47,000
Norwich Union	39,250
Hartford	36,950
Ætna	34,250
N. Y. Underwriters	35,000
Western Toronto	32,800
Home, N. Y.	31,050
Niagara	30,000
North British and Mercantile	28,500
Merchants', N. Y.	27,615
Scottish Union	27,000

Ins. Co. of North America	27,000
Fire Association, Phila	25,000
Hamburg-Bremen	24,800
Phenix, Brooklyn	24,765
Trans-Atlantic	22,300
Lancashire	20,300
Lion	19,300
Imperial	16,500
Queen	16,200
German-American	15,650
Liverpool and London and Globe	15,550
Royal	15,000
Commercial Union	15,000
Connecticut	15,000
National, Hartford	14,425
Crescent, N. O	13,915
Girard	13,475
St. Paul	13,000
Factors' and Traders', N. O	11,500
North German	10,700
London and Lancashire	10,000
Pennsylvania	9,950
Phœnix, Hartford	9,500
American	8,500
Sun, London	7,500
Williamsburg City	6,950
Hibernia, N. O	5,150
New Orleans	5,050
Southern, N. O	5,000
British America	3,500
Sun, S. F	3,100
Union, N. Z	3,000
Springfield	2,900
Germania	2,100
Oakland Home	1,950
Northern London	1,800
London and Provincial	1,700
California	1,600
Commercial, S. F	1,150
Western, S. F	700
Other companies	100,000
Total	$1,153,720

An Oregon Decision—Suit to Reform a Policy.

LIMITATION ON RIGHT TO SUE ON A POLICY OF INSURANCE.—A policy of insurance contained in effect this stipulation: (1) No action shall be commenced thereon to recover for a loss thereunder until the amount thereof was ascertained by agreement or arbitration; and (2) No such action shall be maintained unless commenced within one year after the date of the fire from which the loss occurred; *Held*, That unless the assured was prevented by the action or non-action of the insurer, in the matter of ascertaining the amount of the loss, he must commence his action therefor within the time specified in the stipulation.

REFORMATION OF POLICY.—A demurrer to a bill for the reformation of a policy of insurance will be sustained, when it appears that by reason of the lapse of time, no action can be maintained thereon for any cause, when reformed. A court will only decree the reformation of an instrument as a means of enabling a party thereto to assert or maintain some right thereunder.

D. P. Thompson, receiver, *v.* The Phœnix Insurance Co. U. S. C. C., Dist. of Oregon, Nov. 8, 1885.—On April 21, 1884, the defendant, in consideration of the sum of $300 paid to it by E. S. Kearney, insured him, as "Receiver for Holladay *v.* Holladay," in the sum of $5000 against loss or damage by fire on a half interest in the Clarendon hote and furniture, for the term of one year from April 27th; and on the night of May 19, 1884, the property was destroyed by fire. This suit was brought on July 10, 1885, to reform the policy by the plaintiff, as the successor of Kearney in said receivership.

The bill alleges that by mistake the policy was made payable to said Kearney "instead of the receiver in said suit of Holladay *v.* Holladay, and his successors, and for the benefit of whom it might concern;" and prays that it may be reformed by adding therein, after the words "E. S. Kearney," the words " 'as receiver in the suit of Benjamin Holladay against Joseph Holladay, for and on account of his successors, as such receiver, and for the benefit of whom it might concern;' and that the sum so insured by said defendant on said building and furniture be paid to your orator accordingly."

The defendant demurs to the bill, and for cause of demurrer, assigns, among others, the following: "The plaintiff's right is barred, because he did not commence this suit within twelve months next after the date of the fire from which the loss occurred."

The policy contains a stipulation, to the effect, that a loss arising thereunder is not payable until the proof thereof is furnished, and in case of arbitration, the award fixing the amount thereof is had; and also this:

"It is furthermore hereby expressly provided and mutually agreed, that no suit or action against this company, for the recovery of any claim by virtue of this policy, shall be maintainable in any court of law or chancery, until after an award shall be obtained, fixing the amount of such claim in

the manner above provided, nor unless such suit or action shall be commenced within twelve months next after the date of the fire from which such loss shall occur; and should any suit or action be commenced against this company, after the expiration of the aforesaid twelve months, the lapse of time shall be taken and deemed as conclusive evidence against the validity of such claim, any statute of limitation to the contrary notwithstanding."

There is no claim that the right to bring this suit has been delayed over a year from the date of the fire from which the loss occurred, by any dispute concerning the value of the property destroyed. On the contrary, it appears from the bill that the proof of the loss was duly made and that the amount of is not contested, but that the payment thereof is refused to the plaintiff solely on the ground that by the terms of the policy it is payable to Kearney only. Therefore, the question does not arise in this case, whether an action could be maintained on this policy by the assured, after the expiration of a year from the date of the fire, in case he had been delayed in the commencement of the same, on account of a dispute and arbitration concerning the amount of the loss.

Cases may arsse under such a policy, when the dispute and arbitration are, without any fault of the assured, so prolonged, that unless he is allowed to commence an action after the expiration of a year from the date of the fire, he would, under the combined operation of these two stipulations, be deprived of all legal remedy. But in this case the suit was not brought until thirteen months and twenty-one days after the fire at which the loss occurred, and no excuse or reason is given for the delay.

It is well established that a stipulation limiting the time within which an action may be brought on a policy of insurance is valid and binding on the parties thereto; but that if it is ambiguous, either in itself or taken in connection with other provisions or stipulations in the policy, the ambiguity must be resolved in favor of the assured. See Spare *v.* Home Mutual Insurance Company, 9 Saw., 145, and cases there cited.

The stipulation for limitation in this policy is, considered by itself, plain and susceptible of but one meaning; and putting aside the provision concerning an award as inapplicable in this instance, there is nothing in the policy to qualify or render it doubtful. Unlike the stipulation in Spare *v.* Home Mutual Insurance Company, *supra*, in which the right to sue was limited to one year from the time the loss "occurred," which, in conjunction with the sixty days also allowed the company to ascertain whether any loss had "occurred," and make payment thereof, was held to mean one year from the expiration of said sixty days, the limitation in this case is a year from a day certain, to-wit: the day of the fire. And unless the assured is prevented by the action or non-action of the company in the matter of ascertaining the amount of the loss, from commencing an action within that time, he must do so or he will be barred therefrom.

But it is said that this is a suit to reform this contract, as well as to enforce it, and that the stipulation as to time does not apply to a suit for such relief, and therefore the demurrer is too broad and must be overruled. But the court will not reform an instrument, merely for the sake of reforming it, but only to enable a party to assert some right thereunder. And if an action thereon by the assured to recover the amount of loss is already barred by lapse of time, there is no claim that can be asserted under it against the defendant.

In Davidson *v.* Phœnix Insurance Company, 14 Saw., 594, Mr. Justice Field held, in a case like this, that when the remedy on the policy for the insurance was barred, according to the stipulation therein, by lapse of time, the court would not undertake to reform the instrument, because there was "no occasion" for so doing.

This conclusion is not reached without reluctance. So far as appears, there is, in good morals, no sufficient reason why the defendant should not pay this claim according to the real intention of the parties to the contract—that is to the receiver for the time being in the case of Holladay *v.* Holladay, for the benefit of whom it may

concern. Such cases as this suggest the necessity of some legislation simplifying the contract of insurance, and within certain limits, declaring its effects; and in case of loss, who may claim the benefit of it, and maintain an action against the insurer to enforce it.

But as it is, the parties to this contract have deliberately agreed, that unless the assured brings his action to recover for the loss within a year from the date of the fire, he is forever barred from so doing, and the court cannot disregard the stipulation. Nor is it intended to suggest that this limitation of the time in which to sue is either unwise or unjust. In this class of cases especially, every consideration of justice and convenience require that claims for losses should be speedily settled, while the witnesses are within reach and the facts are fresh in their recollection.

But the law should have come to the aid of this defective contract and authorized the plaintiff to maintain an action thereon to recover this loss, as the successor in office of the person who affected the insurance, for the benefit of whom it might concern, without any reformation of the instrument, or delay on that account.

The demurrer is sustained and the bill dismissed.

DEADY, J.

Portland Correspondence.

PORTLAND, OR., Nov. 26, 1885.

EDITOR COAST REVIEW:—During the special session of the Legislature, which lasted some twenty days or more, several new bills were introduced, but, strange to say, the insurance companies were left alone. The Solons were so very much engrossed in electing a United States Senator that such small matters as fleecing insurance companies could hardly be worthy of their consideration.

The State Insurance Co., of Salem, still survives. Occasionally I hear some pretty "tough" statements about this rotten concern. In one case, where the compact rate on a dwelling called for $32 premium, the State asked and got $36. The property, however, was sold, and the purchaser, not considering the policy sufficient indemnity, insisted on cancelling the same. The return premium figured up, I believe, something like $18 at short rates; but the State Ins. Co. did not like to disgorge, and, thinking the short rate table ought to be shorter, the managers concluded to return only $9. The assured was lucky in getting anything.

An agent, the other day, was also telling me of a novel method the State Ins. Co. has for settling losses, which, for rascally ingenuity, ought certainly to take a premium. It appears the company agreed to settle a $1,000 loss for $750, and their man, with check in hand for this amount, went all around the neighboring country showing the same, and dwelling largely on their prompt and equitable settlement; but after having made this advertising tour the company concluded to hold on to the $750, and gave the party burned out only $250. I have this from reliable quarters. The State Ins. Co. would evidently get rich at this skin game, but the *expenses* seem to make up for the liberal adjustments; for their statement, I am informed, shows $31,000 expenses and $5,000 losses. Presumably the collapse of this concern is only a matter of a short time, but at present *somebody* is evidently "making hay while the sun shines."

Several agents here have been complaining of late on account of there being no Compact Manager here. They claim that the waiting for special rates retards the progress of business; besides, there are always questions coming up which require prompt and immediate action. They think our northwestern territory of sufficient importance to warrant a manager being on the spot, and they hope the Pacific Union will take this matter under early advisement.

No fires have occurred since October 10th. Owing to "hard times," we think this an exceptionally good showing; in fact, we flatter ourselves that we are getting the acceptance of risks down to a science.

Geo. L. Story was one of the members of the recent special legislative body, and he introduced and got through some very important new laws.

We were pleased to welcome our old townsman, C. P. Ferry, who came up here

in the interests of the "Sun." After a short stay he went over to the Sound.

Mr. Carpenter, of the Firemans Fund, paid us a week's visit, after a long sojourn East and on his way to San Francisco.

Assistant Manager Niles left for Salt Lake City, where he has been appointed to oversee compact interests. NAOLS.

New Trial Granted.

IS A BARN A HOUSE?—ISSUES OF FACT FOR THE JURY.—Claffey *v.* The Hartford Fire Ins. Co.; Cal. S. C., Dec. 4, 1885.—Plaintiff instituted this action against the defendant, on a fire insurance policy, alleging that it covered a loss he had sustained by the burning of a certain barn. The defendant's main objection to payment of the demand was a breach of warranty on the part of plaintiff, in representing that the barn was his property, when he had no title thereto. The plaintiff, as tending to show ownership of the building in dispute, introduced in evidence the following copy of a bill of sale:

"For a valuable consideration the Spring Valley Water Works grants and conveys unto John Claffey the Wolfe houses, but reserves the right to use the same until the first day of November, A. D. 1877."

There was evidence introduced on the trial which tended to prove that a house, barn and two sheds had been built by a Mr. Wolfe, and they were generally designated "the Wolfe houses;" that they had become the property of the Spring Valley Water Works, and under the bill of sale from that corporation, the plaintiff had become the owner thereof.

The word *houses* being used in the bill of sale, it is plain that more than one house was by it conveyed to the plaintiff, and such an ambiguity existed in that instrument as warranted an explanation by parol testimony to determine whether or not the term "the Wolfe houses," included the barn in question.

The Court below informed the plaintiff, after all the testimony in the cause had been allowed to go to the jury, that a nonsuit ought to have been granted, because the bill of sale put in evidence did not include the barn, and that plaintiff had not shown any title in himself to it, and that the jury should be so instructed, which was done, and a verdict returned for the defendant.

The issues of fact, as made, should have been submitted to the jury for decision, upon the evidence introduced, and as such course was not taken, the judgment and order denying a new trial should be reversed, and the cause remanded.

FOOTE, C.

J. R. Middlemiss.

J. R. Middlemiss, a well and unfavorably known character in underwriting circles, has been arrested at Sacramento for soliciting life insurance without a license from the Insurance Commissioner. The trial is set for the 8th inst., before Justice Post. The prosecuting witness is J. T. Day, a well-to-do farmer and business man of Sacramento county.

The facts of the case are as follows: Middlemiss, by false representations, procured application blanks from the Sacramento local agent of one of our prominent life insurance companies, and persuaded Mr. Day to take out a policy in a considerable sum. Middlemiss told Day that the policy would cost him nothing for the first year, for, in consideration of the influence of his name as a new policy-holder and his services in introducing Middlemiss to his personal and business friends, the commissions on the new business thus acquired would exceed the first premium. Mr. Day did sign two notes, however, "as a matter of form," one a premium note to the company, and the other a $250 note in Middlemiss's favor, representing the latter's commission. Middlemiss having promptly cashed his note at the bank, Day had to pay it, and is "out" that amount, but he refused to pay the premium note. The company, learning the particulars of the transaction, generously exchanged the note for the policy. The company was entirely blameless in the matter, for, knowing Middlemiss's reputation, the application was at first refused, and it was not accepted until received through the proper channel—that is, through the regular agent.

When Middlemiss first came to this coast two life insurance companies were compelled to discharge him for his disreputable conduct. He then drifted from one office to another, without improving his record, however. Subsequently he became an agent at Stockton for three fire companies, for which he conducted business in a very satisfactory manner, with one exception: remittances were not forthcoming. The general manager of the companies pressed the matter so earnestly that Middlemiss took his bondsman into partnership. The general agent visited Stockton and investigated matters. Middlemiss's shortage was found to be more than $1,000 and less than $5,000. His bondsman and partner, a farmer, had to indemnify the companies. Middlemiss then "reformed" and became an active Sabbath-school worker, and a shining light for the youth whom he exhorted to lead upright lives.

While employed on a salary at Portland, Or., by a life company, Middlemiss sent in applications to a rival company. The reader will not be surprised to learn that he was short in his accounts with both companies.

From November, 1883, or thereabouts, until October, 1885, Middlemiss' character and reputation was such that he worked life insurance without the license required by law. A portion of this time he worked for the San Francisco agency of an Eastern co-operative assessment concern. He wrote a number of applications and drew drafts on men whom the agents have never been able to find. Of course he was discharged.

We regret the necessity for this exposure, but Middlemiss has not shown works meet for repentance; and as a warning to underwriters and the public to whom he is unknown, we deem it proper to thus ventilate his character.

We are surprised to learn that Middlemiss has been licensed and is now employed by a representative Eastern life company doing business in this field. He is a sociable fellow and an excellent solicitor, with many graces of manner; but he is one of those unscrupulous men who bring life insurance into bad repute by deceiving and swindling applicants. His record is so bad that there is no excuse for his employment by any general agent in this field, and his abilities as a solicitor do not begin to outweigh the probable evil consequences to the company which he represents, or to legitimate life insurance in general. The moral view of the employment of such a man need not be considered. He is unfit to be trusted with application blanks, and will bring trouble and discredit to any company which he represents.

William H. Beers.

The vacancy caused by the death of Morris Franklin, President of the New York Life Insurance Company, has just been most appropriately filled. For many long years William H. Beers has occupied the executive position of Vice-President and actuary, during which time his hand has been on the helm, directing the course of the company; and adversaries as well as friends have had occasion to note that the craft has been steered unswervingly towards the haven of success. Perhaps Mr. Beers' nautical training may have had something to do with this, for in early life he was connected with the United States Navy. Any way, he has sailed his ship with skill. To his fertility in resources, ingenuity, organizing ability and business dash are due, more than to all other causes, the immense popularity of the New York Life and its rapid growth. The merited promotion of Mr. Beers gives an opportunity of saying these things in justice to the new President, which it is a pleasure to say; and the COAST REVIEW cordially congratulates the army of New York Life members on the selection made, no less than the gentleman himself.

With the change in the nominal head of the company, there will be no change in policy or abatement in the energy of its management. Mr. Beers has a way of fastening his friends "with hooks of steel," and it is to be remarked that their number constantly grows.

Among the other trusted officials promoted in the New York Life, was Dr. Henry Tuck, who was promoted from second to first Vice-President, and Mr. Archibald Welch, who was chosen second Vice-Presi-

dent. Also Mr. Rufus W. Weeks was promoted from the position of mathematician to that of actuary. Dr. Tuck, the first Vice-President, was formerly the medical director of the company, but some years ago was made second Vice-President. He is a Harvard man, with European medical training, and his professional skill will be invaluable to the company in the responsible position he is called to fill

Arbitration of the Hecht Claim.

Elsewhere we print a *resumé* of the Hecht Bros. & Co. claim and the question arising as to the cancellation of policies, and the decision of the arbiters. The opinions of Messrs. Haven, Boardman and Story, the arbiters, and Geo. D. Dornin, the Chairman of the Adjustment Committee, are given in full.

Mr. Haven, of the Liverpool & London & Globe, decided that the sound value of the damaged stock, $58,982.70, the amount paid for the goods to Hecht Bros. & Co. by the underwriters, should be the amount to be cancelled. Mr. Boardman, of the Ætna, was of opinion that $22,953.55, as reported by the appraisers, was the measure of damages, and that that sum only should be cancelled. These gentlemen not agreeing, they referred the question to Mr. Story, of the Home Mutual, who coincides with Mr. Boardman. The policies were thereupon cancelled to the amount of $22,953.55.

Admitting that the actual loss, as determined by "the award of the appraisers," should be the measure of the cancellation, we do not find that $22,953.55 is the correct sum. The lower tier of cases of goods on which a loss of $13,210 was claimed, was not appraised. There was no award of damages. The companies took the goods at their sound value—$23,551.58. The remaining 1,000 cases were subject to appraisement. The award was $9,743.55, on a sound valuation of $35,431.12. The question of the damages on the lower tier was still undecided, yet in the final arbitrament the exorbitant claim of $13,210, which the companies would not allow, was accepted by the arbitrators and added to the award of $9,743.55, making the total damages as claimed, and the amount to be cancelled, $22,953.55. We contend that in the absence of any award of damages on the lower tier of cases, the sound value of those goods, as paid by the underwriters, should be the amount to be cancelled. This sum, $23,551.58, plus the award of $9,743.55 on the remaining cases, or $33,295.13, is the proper amount for cancellation, if, as already stated, the actual loss according to appraisement should regulate the cancellation.

But we believe that the arbiters reached a wrong conclusion. The equities of the case, whether with Hecht Bros. & Co. or with the underwriters, are not material to the question at issue. The question is properly to be determined by the contract. Had the companies, under their policies, the legal right to cancel to the amount of the sound value of the goods taken? We hold that they had the right to cancel the full amount of the sound value of the goods taken, in the absence of an appraisement.

The Universal Accident Indemnity Company of San Francisco —The Coast Review Charges Substantiated—The Company Will Wind Up.

The charges preferred against the Universal Accident Indemnity Company of this city by the COAST REVIEW have been substantiated. It was originally a swindling enterprise, established by Graham and Stuart, a brace of adventurers. The original stockholders invested no money in the concern, and had no money to invest. Its capital was virtually a fiction.

The promoters of the enterprise, after making every possible effort to secure money by peddling stock to innocent parties at whatever it would bring, persuaded a Mr. Morgan either to lend the company $25,000 for a bonus, or to take stock to that amount. We believe that it was a loan originally. In the meantime, before the supply of profitable dupes was exhausted, enough money was secured to pay rent, high salaries, purchase elegant signs and handsome furniture, pay advertising bills, and probably pay the bonus for the loan. At any rate, Mr. Morgan's money was deposited to the credit of

the company, subject only to the draft of a Mr. Westwater, who was the secretary of the company and the personal friend and representative of Mr. Morgan. Mr. Westwater was not made secretary until the money was obtained of Mr. Morgan. These gentlemen reduced expenses, which were enormous, ejected Stuart, and demanded and received the resignation of Graham, the president. When the Deputy Commissioner made the examination the books of the company showed that Mr. Morgan was a bona fide stockholder to the amount of $25,000.

As already stated, Graham and Stuart disposed of a good deal of the stock to innocent parties at such prices as they could get. The whole truth was probably withheld from purchasers. The sale of the stock by these men, under the circumstances, was simply cold-blooded robbery. They knew that the stock was worthless, and that they were obtaining money on false pretenses.

Deputy Rohrer of the Insurance Department made an examination of the condition of the company last week, at the instigation of three policyholders, who were prompted by the articles appearing in the COAST REVIEW. The result was the discovery of a deficit of $14,455.72. The managers were given due time to make good this deficit; but they wisely concluded to wind up the company.

The expenses of the company, as disclosed by this examination, were extraordinary. Business was begun on September 11, and the expenditures from that date to December 1, less $90 losses, were $13,810.38, while the premium receipts, cash and note, were only $3,273.95. The salaries during this brief interval were $8,871.63, of which Graham, the President, received from $400 to $800 per month. The larger part of this salary item was paid Graham and Stuart before the company began business. In other words, these men sold stock and pocketed the proceeds. When Messrs. Morgan and Westwater became associated with the company, and asserted their authority, President Graham was no longer permitted to feather his nest, but managed to survive on $100 per month.

In the itemized statement which follows, the reader will observe a peculiar circumstance in the extraordinary amount of cash in office. The sum of $3,498 is probably more than any insurance office in this city keeps on hand at any one time. Some ugly reflections might be made on this matter, but as the company has given up the corporate ghost the subject may be unceremoniously dismissed.

The statement of the company's affairs on December 1 was as follows:

ASSETS.	
Cash in bank	$25,111 32
Cash in office	3,498 00
Notes taken for premiums	332 25
Total	$28,941 57
LIABILITIES.	
Unpaid losses	$15 00
Reserve for reinsurance	3,069 73
Cash on deposit	879 16
Unpaid bills	303 40
Capital paid up	39,130 00
Total	$43,397 29
INCOME.	
Cash received for premiums	$2,941 70
Notes taken for premiums	332 25
Received from stockholders on capital	39,130 00
Total	$42,403 95
EXPENDITURES.	
Losses	$90 00
Commissions	1,079 64
Salaries	8,871 63
Furniture, signs, advertising, etc	3,859 11
Total	$13,900 38

We desire to correct the statement that Judge E. D. Wheeler accompanied Graham and Stuart to the Commissioner's office when they asked him to accept notes instead of the cash required by law. Judge Wheeler did not accompany them.

In criticising this company and denouncing Graham and Stuart, we have been influenced by no feeling of malice. We do not know either of the men personally. The evidence clearly showed that the company was an illegitimate enterprise, and it was the duty of the COAST REVIEW to expose it. The exposure required a ventilation of the reputation and record of Graham and Stuart because they were the moving spirits of the enterprise.

Are Impaired Lives Safely Insurable?

The law governing human longevity, as applied to a large number of selected lives, is one of the foundation stones of sound life insurance. The tables of premiums are founded upon this law, and by it the success or failure of a company is assured. Assuming this proposition to be correct, it is scarcely necessary to state that to take the same premium upon a diseased or impaired life that would be asked on a healthy one would be disastrous to the company attempting it. And it is for this reason that so much depends upon the skill and integrity of medical examiners.

The question is often asked: "Why, if a fire insurance company is able to grade its premiums to the risk involved, is it not just as practicable for a life insurance company to accept those applicants whose health may be somewhat impaired, and who, in consideration of that fact, would be willing to pay an increased premium in order to obtain insurance?"

We believe the plan suggested by this query to be a practicable one, under certain necessary conditions. First and most important of these is the medical examination. Granted that a man is in impaired health by reason of past injuries or inherited tendencies, it would seem that medical science should be sufficiently advanced in this age to approximate with a fair degree of accuracy as to what might reasonably be supposed to be the degree of impairment. And with this factor once decided, the actuary's computation could readily settle the amount of premium to be demanded.

As the medical examination bears so important a part in this proposed plan of insurance, and as no one man's judgment is infallible, be he ever so skillful or experienced, it would be safer to provide for a board of three medical examiners, whose united judgment might reasonably be assumed to be safer than that of one alone.

The accepted table of mortality on healthy lives is, if at all partial, slightly in favor of the companies; but, of course, the mortality of impaired lives would be far beyond the normal expectation shown in such a table. In the absence of an authentic table on impaired lives, some other table would have to govern. To guard still further against this contingency of actual mortality exceeding the expected, no matter what table be used' such insurance would have to be undertaken by a stock company, with no very early dividends to policy holders, or only at such intervals of time that a safe average might be determined.

There is a very large class of people who gladly avail themselves of this form of insurance if obtainable. The number of risks rejected yearly by the life companies now doing business is very large, and would alone make a handsome business for a company making such risks a specialty. A large percentage of such risks would require but a slight advance in premium to cover their impairment; and once having learned that they were of unsound health, these rejected ones would be doubly anxious to secure insurance.

Again, there is a class of extra risks which, although of sound health, has to be refused by reason of their occupations being more hazardous than the average. Statistics are sufficiently ample to decide upon the average duration of such lives, and a fair rate could easily be fixed upon them. Such occupations as underground miners, metal grinders, workers in lead and similar trades come under this category. As these cannot be classed as selected lives, the companies, as now constituted and administered, are compelled to reject them. In addition to these are the brewers and others interested in the manufacture and sale of malt or alcoholic liquors. While they may be of sound health and temperate habits at the time of making the application, experience has shown that they are subject to extra temptations and are shorter lived than the average. For this reason they are looked upon with more or less disfavor by the regular companies, and their patronage is not sought after. In fact, some companies decline them altogether.

Of course there would probably be cases proposed under these and other heads where the risk could not be assumed except at a figure that would be virtually prohibitory;

but these cases would form but a very small percentage indeed of those presented in the usual list of rejected applications.

Assuming this plan of insuring impaired lives to be undertaken by a stock company, it would not follow that all of the profits, if any, should revert to stockholders, or any more than would constitute a fair compensation for the interest and risk on the money invested. By far the greatest amount of such gains should be set aside as surplus to provide against future contingencies. In the very nature of things, the mortality in such a company would always be uncertain and difficult to approximate, and its temporary surplus gains would constitute its safety.

The increased premium rendered necessary in such insurance is mainly for the purpose of providing the reserve needed on such extra risks. The expenses, however, should not be greater, if as great, as in other companies, since the business is more easily obtainable and should be enough smaller to leave a very satisfactory amount each year to be credited to the surplus as a reserve to be drawn upon for occasional errors in medical judgment.

Being an avowed insurance for a special class, it should be subject to special laws not fairly applicable to the other companies on all matters relating to the peculiar nature of its risks.

We firmly believe that such a company as is here suggested could be made a pronounced success, provided it were to apply itself solely to this class of risks and were controlled by men of known ability in the conduct of life insurance. More than this, we know that there is a great and growing demand for such a company, and that it would find the field ripe for the harvest.

In any event, it appears to us that a business both large and profitable offers itself to a company substantially organized financially and reputably, which would undertake the insurance of impaired or rejected lives on the basis of either annual, term or endowment insurance, whereby the assured may have his option as to what he was able or willing to buy and pay for. And we believe that this new departure in life insurance is among the social necessities of the time.—*Commercial Bulletin.*

FIRES.

October 28, Ogden, Utah, frame dwelling:
Agricultural.....$250

November 12, Los Angeles, Cal., dwelling:
North British & Mercantile.....$961

November 20, Calaveras county, Cal., dwelling and furniture:
Home & Phœnix.....$550

November 6, Merced, Cal., frame building:
City of London.....$687
South British & National..... 687

November 23, Marin county, Cal., dwelling and furniture:
Home & Phœnix.....$250

November 11, Portland, Or., furniture and dwelling:
South British & National.....$253

November 13, Downey, Cal., barn:
German-American.....$490

November 18, Los Angeles, Cal., dwelling:
Lion.....$125

November 5, Sprague, W. T., stone building:
New Orleans.....$579

November 5, Eureka, Nev., dwelling:
Guardian.....$750

November 16, Silver City, N. M., private barn:
Agricultural.....$1,750
Fire Ins. Ass'n, London..... 1,750

November 11, San Bernardino county, Cal., cord wood:
South British & National.....$229

November 28, Butte City, Montana, boarding house:
New Orleans.....$500
Teutonia..... 500
Boatmans..... 750
Allemannia..... 750

November 13, Chico, Cal., barn:
Ins. Co. of North America.....$300

November 11, Salt Lake City, Utah, drugs:
German-American.....$147

November 5, Butte City, M. T., saloon and contents:
Boatmans.....$156
Allemannia..... 400

November 1, Helena, M. T., furniture:
Girard.....$225

November 10, San Francisco, fancy goods:
Five companies.....$497

November 11, San Francisco, frame building:
New Zealand.....$350

November 14, Fresno, Cal., general merchandise:
Svea.....$2,250

November 5, Princetown, Cal., saloon:
Royal, Norwich Union & Lancashire.....$375

November 12, Providence, Cal., general merchandise:
State Investment.....$800
Western, S. F.....800
Bowery.....900

November 16, San Jose, Cal., dwelling and contents:
Imperial, London, Northern & Queen.....$1,550

November 17, Modesto, Cal., hotel and contents:
State Investment.....$975
Sun.....485
Boston Underwriters.....485
Svea.....487
Western, S. F.....487
Home Mutual.....700

November 5, Contra Costa county, Cal., barn:
Hartford.....$600

November 22, Grass Valley, Cal., furniture:
State Investment.....$834

November 3, Grass Valley, Cal., furniture:
Continental.....$653

November 23, San Rafael, Cal., dwelling and furniture:
Phœnix, London.....$2,500
Agricultural.....1,800

November 16, Fresno, Cal., frame building.
Commercial Union.....$500

November —, Helena, M. T., general merchandise and building:
Connecticut.....$1,000

November 9, Tuolumne, Cal., dwelling:
Sun.....$500

November 12, Los Angeles, Cal., dwelling:
Commercial Union.....$3,000

November 15, San Francisco, furniture in dwelling:
Commercial Union.....$145

November 24, Yuba county, Cal., livery stable and saloon:
Royal, Norwich Union & Lancashire.....$1,350
Hamburg-Magdeburg.....1,750

November 6, Wadsworth, Nev., general merchandise:
Firemans Fund.....$2,000

November 2, Cherokee, Cal., dwelling:
Phenix, Brooklyn.....$150

November 8, Yuba county, Cal., dwelling:
Phenix, Brooklyn.....$455

November 12, San Francisco, dwelling:
North German.....$489

November 2, Sacramento, Cal., merchandise:
Imperial, London, Northern & Queen.....$137

November 8, Sacramento, Cal., brick building and tools:
State Investment.....$400

November 7, Tehama county, Cal., frame dwelling and out-buildings.
Liverpool & London & Globe.....$2,145

November 7, Merced, Cal., building and furniture:
California.....$132

November 13, Anaheim, Cal., frame dwelling:
Liverpool & London & Globe.....$800

November 4, Placer county, Cal., frame building:
Home Mutual.....$200

Grand total.....$45,720

CHIPS.

—Wm. H. Beers has been elected President of the New York Life Ins. Co.

—We print in this month's COAST REVIEW a table of contents of the volume just closed. This table, though not complete, embraces all the principal subjects treated, and will greatly facilitate future references to bound volumes.

—The Texas Mutual Life Endowment and Benevolent Association of America has "busted." Its failure has been repeatedly predicted in the columns of the COAST REVIEW. The association was the worst kind of a fraud. A press dispatch from Fort Worth, Tex., of December 5, says: The Mutual Life Endowment and Benevolent Association of America, with headquarters in this city, and division offices at Greenville, S. C., and San Francisco, has suspended payment. Hundreds of poor people will suffer by the failure.

—The late Cornelius Walford, the English actuary, had a library of 30,000 volumes.

—The fire losses for November reported in the current issue of the COAST REVIEW, amount to only $45,720. This is less than has been reported for any month for fifteen years, we believe. The long continued and heavy rains in November were friendly to underwriters and farmers alike.

—Geo. Pratt, the general agent of the California Ins. Co., has just returned from a ten-weeks' trip through Oregon, Washington and Idaho. Mr. Pratt informs us that with probably one or two exceptions, all the responsible fire companies are keeping faith with their agreement not to write on buildings in Idaho, but the wildcats are having a harvest in that field.

—A. McKinnie, a "confidence" insurance operator formerly of Portland, is now in Idaho Territory, representing three wildcat fire companies—the Anglo-American of Washington, D. C., the Pelican of New Orleans, and the Home of Seattle, W. T. Owing to the refusal of the fire companies to write on buildings in Idaho, after the enactment of the valued policy law, McKinnie is reaping a harvest. The policies of his companies are worthless, as some of the Idaho people will learn to their sorrow.

—There was a disastrous explosion in the Bull-Domingo mine near Silver Cliff, Col., last month. The mine is 400 feet deep. Pieces of timber were hurled half a mile. The report of the explosion was heard over seven miles away. Twelve miners perished. The shaft-house, engines, boilers, office, dwelling and furniture were burned. The amount at risk was $27,800. The loss was $17,800. There is some question as to the liability of the companies, but the question has not been raised. The insurance was distributed as follows:

California	$3,000
Commercial	3,000
Germania	2,500
Orient	2,000
Scottish Union	3,300
State Investment	3,000
Union, S. F.	3,000
Western, S. F.	3,000
Traders	2,500
American, Phila.	2,500

—A complete set of Walford's Insurance Cyclopœdia (5 vols.) for sale at the COAST REVIEW office at a bargain.

—In this month's COAST REVIEW a young lady stenographer and type-writer advertises for a situation in an insurance office. We are informed that she is a remarkably rapid and correct writer.

—With this number Volume XX of the COAST REVIEW is completed. Subscription bills will be mailed during the month Due warning is given to delinquents that they must respond promptly or dispense with the society of the COAST REAIEW. Now "whack up."

—During August and September the Union Mutual Life Ins. Co. paid $35,773 in endowments, making the total endowments for nine months of the year $178,551, and the total endowments since organization $3,318,803. The total payments to policy holders since organization are $20,833,479.

—According to the decision of the California Supreme Court, in the case of Wright *v.* Central California Colony Water Company, a stockholder in a corporation may institute an action to set aside an election for directors, although he has not had stock standing in his name on the books of the company for a sufficient length of time to entitle him to vote at such election, under section 312 of the Civil Code.

—The New York Life Ins. Co. has recently issued a circular respecting a new five-year dividend policy plan adopted by that old and substantial company, under which the following advantages are secured to the assured: First. A surrender value in paid-up insurance at any time after three years. Second. A surrender value in cash at the end of any five-year period after issue. Third. The accumulation of surplus during periods of five years, with distribution to all policies in force at the end of each five-year period. Fourth. A mortuary dividend of fifty per cent. of all premiums paid within the five-year period in which death occurs, and the payment of death-claims immediately upon the approval of proofs of death. Fifth. The removal of many restrictions upon occupation, residence and travel.

—P. K. Faulds, of Ukiah, in this State, has been appointed agent of the Pacific Mutual Life and Accident Insurance Co. Mr. Faulds is also engaged in the fire branch of underwriting.

—The New Hampshiremen are still sweating and swearing because they can get no insurance. The valued policy law does not now seem to be so desirable as it did a few months ago.

—*The Overland Monthly* for December deserves more than a line or two of "mere mention." It is an unusually interesting number, as a glance at the table of contents will show. We may mention, for example, "The Lick Observatory," "John M'Cullough," "A Wedding among the Communistic Jews in Oregon," and "Is Modern Science Pantheistic?"

—Everybody should advertise his wares, and why not the COAST REVIEW? For example: The public is hereby respectfully informed that we have laid in a large and first class stock of adjectives of the latest styles, warranted as to quality, and especially adapted for the embellishment of annual statements. Our own factory has unequaled facilities for turning out tables of all sorts and sizes, specimens of which will appear in the January and February COAST REVIEWS. Orders should be sent in at an early date. Thanking the public for past favors, we remain yours truly, etc.

—The steam boiler insurance companies are firm believers in the scriptural assertion that "there is that scattereth yet increaseth, and there is that withholdeth more than is meet and it tends to poverty." The report of the insurance commissioners of Minnesota and Illinois on the condition of the Hartford Steam Boiler Co. tells us that its expenses for inspection were $102,000 in 1884, and its losses were only $16,278. It costs more than six times as much to prevent losses as it does to pay them. This is the true application of science to insurance. It seeks not only to pay for losses but to prevent losses. Thorough inspection is better than large premiums, and more satisfactory in the end both to the company and the assured.—*Weekly Underwriter.*

—Frank Stone, for several years with Mr. Bertheau's agency, has gone into the city department of the Anglo-Nevada.

—The Medical Attendance Assurance Association, a new English venture, has been wound up by order of the courts. It "died a-bornin'."

—V. C. Driffield, late surveyor of the New Zealand Ins. Co. in this city, has been employed by the Anglo-Nevada Assurance Corporation. Mr. D. takes a place in the country department.

—Charles R. Johnson, one of the pioneer fire insurance agents of Los Angeles, but who for the past four years has been Registrar of the Land Office for Southern California, is visiting the city. It is surmised that he will return to his first love, insurance, as President Cleveland did not agree with him politically. His successor has been appointed.

—Dr. J. Milton Bowers, of this city, whose wife was insured in various benevolent orders to the amount of $17,000, was found guilty of her death by a Coroner's jury. It is believed that he poisoned her with phosphorus. Bowers was a leading member of several fraternal societies, and was the beneficiary of all the policies or certificates on his wife's life. The societies will refuse to pay the claims arising from Mrs. Bowers' death, whether her husband is found guilty or innocent on trial by a criminal court.

—L. G. Harvey, an old resident of 'Frisco and Oakland, has been appointed city agent for Messrs. Hunt & Mitchell's agency. Mr. H. is favorably known to a large number of our citizens and will, we have no doubt, prove a valuable accession to the agency.

—The Union Ins. Co., of this city, is a strong advocate of civil service reform and a believer in a proper recognition of merit and services rendered. On the retirement of General Agent Farnfield, Calvert Meade, the Cashier, was promoted to that position, and Arthur Hickox, bookkeeper, takes Mr. Meade's place as Cashier. Mr. Mead's promotion was well deserved and we have no doubt highly appreciated by that gentleman. He will make a first class general agent and adjuster.

—Thomas Bennet has gone to Washington Territory.

—Tom C. Grant returned a few days ago rom a several weeks' trip along the Northern Pacific.

—Wm. P. Thomas, special agent with W. J. Callingham, left for Honolulu on the *St. Paul*, on business connected with the agency.

—The home offices of the City of London Ins. Co. and the Fire Ins. Association have instructed the American managers to draw on them for the amount of the Galveston losses, thus leaving the American funds of the companies untouched.

—D. M. Bokee, for many years in the office of Messrs. Hunt, Son & Co., general agents, has been appointed to the position of special agent and adjuster for Hunt & Mitchell, successors to Hunt, Son & Co. Mr. Bokee takes Mr. Mitchell's place in the field. The numerous agents and friends of the firm will find Mr. B. a pleasant gentleman, and fully posted in the business.

—Some queer dodges are resorted to by the people who try to defraud the accident insurance companies. Said the secretary of one of these corporations recently to a New York reporter: "The case of the man in Buffalo who was recently arrested for attempted fraud, is an instance. This fellow had a strange physical conformation, and could at pleasure dislocate his wrist. He was very successful until detected. Another remarkable case is that of a man with brittle legs. The bones had by some extraordinary process of nature been changed into a kind of chalky substance, and were almost as easily broken as glass. This individual used to make a business of tumbling down open cellar doors and into excavations. On each occasion he would break one of his legs, and a suit for damages would follow, which was generally compromised. He also tried his game on an accident insurance company and swindled them. He was finally exposed, and a warrant is now out for his arrest. He will probably never turn up again in that line, for if he does a term in State prison awaits him."

—Sam Bates, of Merced, was in town last week.

—Charles R. Story is again at his desk after a three weeks' illness.

—The negro is an imitative creature. The white man does nothing which the negro does not imitate. Sam Johnsing and Jim Webster, who own the shanties in which they reside in the suburb of Austin, determined to have their property insured against fire, merely because "de white folkses" insured their property. The insurance agent yielded at last to their importunities and went to look at the premises of the two enthusiasts on the subject of insurance. Declining an invitation to come inside and partake of some refreshments, the agent said: "We can't insure your shanties." "What objecshuns?" asked Sam Johnsing. "In the first place, Mr. Johnsing, you have got your smoke-house right up close to your cabin, and will be sure to catch fire the first time you use your smoke-house." "Ef dat's all, I jess won't make no fire in my smoke-house. I'll smoke my meat in Jim Webster's smoke-house, and he can smoke his meat in my smoke-house; so dat objecshun am done away wid."—*Texas Siftings.*

—The men who "run" the fraternal insurance societies presume a good deal on the ignorance of members. Experience has taught the managers that any sort of a lie about the old-time companies is easily swallowed by their dupes. No man of good sense would have risen before an intelligent audience and made such ridiculous statements as a member of the A. O. U. W. did not long ago, "for the good of the order." He declared that the life insurance companies had subscribed to a great corruption fund to secure legislation against assessment societies. Of this fund, he said $125,000 was spent at Sacramento, Cal., and $500,000 at Albany, N. Y. He also declared that $10,000 was spent to affect the split in the Chosen Friends in this State. Who do you suppose was the ass who uttered such rot as that, and insulted the Independent order of Chosen Friends? He had an interest in libeling legitimate life insurance, for he was an officer of the Workmen's Guarantee Fund Association.

—The scheme to establish uniform rates of commissions in New York is still "on the hooks," but will probably not succeed.

—Smith & Moody succeed the firm of Smith, Snow & Moody, Mr. Snow having retired. These gentlemen represent the Amazon, American Central, Pacific, and Northwestern National.

—Sentence was given at Santa Barbara, Cal., on the 4th inst., to Roqui Gonzales and Vicente Maraga, the two boys convicted of setting fire to McPhail's car stable, the Chinese wash-houses and Stafford's barn, last February. They received respectively eleven and five years in the State prison.

—E. W. Carpenter returned last week from a six months' "swing around the circle," having visited all the States and Territories west of the Mississippi River. Mr. C. is looking well, and reports the interests of the "largest Pacific Coast Co." (except the Anglo) in a flourishing condition.

—Life insurance is a legitimate branch of business enterprise. It is necessary to emphasize this fact, because it is too often lost sight of; and that which should be measured by the rule and square of general business principles is nearly always submitted to criticism on the basis of an unreasoning sentimentality. Insurance companies were made purely business ventures, because it was only upon that ground that they could reasonably hope to attain a fair degree of financial success. They were wisely placed upon this solid foundation; and it may safely be asserted that they would never have reached their present position of pre-eminent strength and stability if they had been built upon a foundation of sentiment. If they had organized as systems of benevolence, they would have certainly been failures; and they would have counted their policies by hundreds where they now count them by tens of thousands. The strict methods of business enterprise; the keen incentives of financial gain; the skill and intelligence that money only can buy, were necessary to place the growing institution in a position of assured success. These facts are hardly susceptible of denial.—*Insurance Times.*

—E. D. Farnsworth is slowly convalescing. He sat up a few minutes on the 1st inst., the first time in eleven weeks.

—The question of winding up the affairs of the Great Western (marine) Ins. Co. of New York, is to be submitted to the stockholders.

—The American manager of the Imperial, R. D. Alliger, has resigned, and the business of the company in this country will hereafter be transacted by separate Eastern and Western departments, reporting directly to the parent office in London.

—A good deal of matter may sometimes leak through a small hole. There is a small hole in insurance practice, through which a great deal of loss to innocent people may percolate unless the aperture is found out and plugged up. We shall endeavor in the interest of the public, to direct attention to the hole. Plate glass insurance companies specifically state in their policies that they "shall not be liable to make good any loss or damage which may happen by or in consequence of any fire." In many of the States they are prohibited by law from paying losses caused by fire. The ground for this prohibition probably is that most people consider all losses by fire to be covered by fire insurance companies. Nevertheless, it is a fact that most fire insurance policies contain a clause of this kind, or its equivalent: "Plate glass doors, windows and mirrors, when plates of the dimensions of three feet square or more, are not covered by this policy unless separately and specifically insured." The result is that in case of loss a property owner may find himself out of pocket to the value of his plate glass possessions, although considering himself a thoroughly insured man up to the moment of adjustment. If the insured desires an unquestionable claim to indemnity for the breakage of his glass by fire, he should instruct his insurance broker or agent to have it "separately and specifically insured" by the fire insurance company. Otherwise he may sometimes feel bad and indulge in unjust abuse of insurance companies, as neglectful and uninformed persons are very apt to do.—*N. Y. Chronicle.*

—The firemen's relief fund law is now in force.

—Messrs. Callingham, Staples and Gutte, acting as an underwriter's committee, visited the various offices in this city, and collected a thanksgiving present of $1,200 for the families of the firemen who perished in the Crocker fire.

—A method adopted in the French capital, for rendering ordinary structures as inimical to fire as practicable, appears to have much to commend itself. The frame structure of the floors consists of hard well-seasoned wood; strong batten laths are soundly nailed up to the under side of the joists, and gauged mortar is then laid in from above, between and over the laths, to a thickness of about two and a half inches, and under to about half an inch; thus the laths and under side of joists are incorporated in a strong slab. Rough battens are then laid on the joists, and rough floor mortar is spread over them to the depth of three inches; paving tiles or flooring boards are then laid down. The result is an almost fireproof floor, and the staircases are also protected by being filled with a solid mass of concreted rubble.—*Insurance Circular.*

—Any form of error which gets itself enacted into law, or which is likely to do so, is worth combatting before it reaches that stage. Ordinary discontent may sometimes safely be left to wear itself out, but the discontent that makes itself felt in the trials by jury, at the ballot box and in the legislative halls cannot safely be trifled with. As business men, underwriters must so conduct their business as to win the respect and confidence of their customers. So far as the valued policy law is concerned, we know that it is based upon a misconception of the business of fire insurance, a misconception which we have no doubt can be very readily removed, and which we believe it to be to the interest of underwriters to remove. It is much easier and cheaper to combat error before it has attained the proportions of a legislative act than to go into the lobby. And in the end it will be found that to remove error and prejudice is better than to sneer at it and suffer the consequences.

—In the case of S. D. Ward, receiver of the Republic Life Insurance Company *vs.* J. V. Farwell *et al.*, a claim was filed on the 27th inst. by S. P. Smith, the receiver of California Mutual Life Insurance Company, against the Republic Life Insurance Company for $100,000. The claim is made on the ground that the latter company bought up all the assets and liabilities of the California corporation. As the receiver in the Republic Life Insurance Company has already sued the old stockholders for all the policy liabilities resulting from the trade with the California Mutual, we can hardly see where the $100,000 extra is to come from. John F. Doyle also filed a claim against the Republic Life for $10,000, on a bond of indemnity which it gave him against any amount he might be called on to pay on a $5,000 stock note, made by him in May, 1873, to the California Mutual.—*Chicago Argus.*

—Hugh Craig, of this city, writes to the editor of the London *Review*, as follows: "In your number for August 19, under the heading 'Fire Insurance Reserves,' you open up a question of much interest to underwriters, and one of vital importance to the shareholders of companies and the insuring public. You are no doubt aware that the custom in the United States is to debit fifty per cent. of the fire insurance receipts for the year under review to reinsurance account. For some time it appeared to me to be an arbitrary percentage as you put it, and so it is, but that it is an equitable one, the following may show. About six years ago I had occasion to reinsure a portion of our business that for four years had failed to show a profit, and the result in what we had to pay, confirms the equity of the American method as being sufficently accurate for a working account, and may interest you, viz: There were 1,998 risks of every description ceded to our reinsurers (these included short-period risks as well as three-year risks), the gross premium received for tha business as per the face of the policies, was $43,147.27, the *pro rata* premium calculated from the date we reinsured until expiration of each policy, was $22,720.27, say 52-65 per cent."

—Messrs. Hunt & Mitchell hand us the first calendar of the new year, issued by the Pennsylvania Fire of Philadelphia, and Mr. Dornin hands us the prettiest calendar, that of the Washington Fire and Marine Ins. Co. of Boston.

—The Anglo-Nevada Assurance Corporation now occupies elegant quarters at 410 Pine street. The first installment of the capital, amounting to $500,000, has been paid in, and the company has entered the Pacific Insurance Union. The initial business of the company is prophetic of extraordinary success.

—The Colorado Agencies of the Washington Fire and Marine Ins. Co., of Boston, are to be transferred to the jurisdiction of Managers Dornin & Sexton on and after January 1st. Manager Fred S. James, of Chicago, under whose jurisdiction Colorado has hitherto been operated, gracefully cedes the "Centennial State" to the Pacific Coasters, as in line with the interests of the company.

—The Underwriters' Inspection Bureau has been established in this city, and will be operated under the direction of the Fire Patrol. The headquarters of the Bureau will be at 318 California street. The design is to thoroughly inspect property subject to the fire ordinances, and report to the Fire Marshal all violations of the law. This useful organization, which has long been talked of, is the work of I. Gutte and other underwriters who were specially impressed with its value as a fire preventive.

—They are coming to it at last! The A. O. U. W. in this State has mailed a circular to members, proposing the creation of a "reserve" fund to enable members to continue their insurance "when by reason of old age and attendant physical infirmities may render it beyond our power to provide the means to maintain our standing in the order." This "desirable consummation" is to be accomplished by the payment of a small sum yearly, varying according to age from $1.00 to $37.00. The advocates of A. O. U. W. insurance have hitherto advanced, as a leading argument, the undesirability and insecurity and needlessness of a reserve fund.

—A. A. Snyder, the well-known appraiser, was in New Mexico last week, appraising losses on buildings in the Apache country. By private advices just received, we learn that he managed to retain his scalp, and had gone to the city of Mexico on business connected with the Mexican government. It appears that the authorities, hearing of Mr. Snyder being in the vicinity, telegraphed him to at once proceed to the capital, as they were desirous of consulting him regarding the condition of the building known as the Hall of Montezuma, some doubts having arisen as to its safe condition. Knowing as we do Mr. Snyder's ability, we doubt not that he will devise some means of preventing this classical edifice from falling into premature decay.

WANTED.

A young lady wishes a position in an insurance office as Stenographer and Type Writer. First-class credentials. Will give one month's services to prove competency and worth.

Address,

"M. G.," this office.

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COAST REVIEW.

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ACCIDENT DEPARTMENT

THE PACIFIC MUTUAL LIFE INSURANCE COMPANY

OF CALIFORNIA.

PRINCIPAL OFFICE, 418 California Street, San Francisco, Cal.

ORGANIZED A. D. 1867.

ASSETS, December 31, 1884 - - - - - $1,263,014 22

The Managers of this corporation beg leave to announce that they have, as contemplated by their articles of association, organized an Accident Department, with

THOMAS BENNET, Manager, and W. H. DAVIS, Superintendent of Agencies,

And that hereafter they will, in addition to life business, transact the business of Accident Insurance. Rates the same as those of other standard American accident companies. Policy provisions more liberal and less technical. Are NON-FORFEITABLE and WORLD WIDE.

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ASSURANCE CORPORATION

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J. B. HAGGIN,	G. L. BRANDER,	E. E. EYRE,
J. ROSENFELD,	J. W. MACKAY,	E. L. GRIFFITH.
J. GREENBAUM,		W. GREER HARRISON.

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C. P. FARNFIELD.....Secretary
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FIRE INSURANCE CO.

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Losses Paid in the United States, over	**4,000,000 00**

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WALLACE EVERSON, A. P. REDDING.

OFFICERS.

WALLACE EVERSON.....President
J. J. VALENTINE.....Vice-President
E. F. GREEN.....Secretary
A. P. REDDING.....General Manager

Head Office, 328 Montgomery St., San Francisco.

THE UNITED STATES LIFE INSURANCE CO.

IN THE CITY OF NEW YORK.

(ORGANIZED IN 1850.)

261, 262 & 263 Broadway, New York.

T. H. BROSNAN, President.

C. P. FRALEIGH, SECRETARY. A. WHEELWRIGHT, ASSISTANT SECRETARY. GEO. H. BURFORD, ACTUARY.

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Comparison of Business.

Payments to Policy-holders or Death Claims, Endowments, Annuities, Surrenders and Dividends.	1883.	1884.
	$475,923 98	$636,149 13

	1881-1882.	1883-1884.
New Insurance Written....	$5,664,211 00	$9,111,488 00

	Dec. 31, 1882.	Dec. 31, 1884.
Insurance in Force.....	$17,167,105 00	$19,769,864 00

Interest due and unpaid on Total Assets, December 31, 1884, NONE.

NORTH GERMAN

Fire Insurance Company

OF HAMBURG.

CAPITAL AND ACCUMULATIONS.....$2,233,331 97

WALTER SPEYER, General Agent,

435 CALIFORNIA STREET,

SAN FRANCISCO.

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INSURANCE CO.
OF CALIFORNIA.

Office, No. 439 California St., San Francisco,

SAFE DEPOSIT BUILDING.

FIRE AND MARINE.

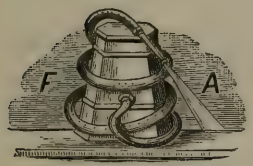
CAPITAL PAID IN FULL, - - - - - - - $200,000 00
Assets, January 1st, 1885, - - - - - - - - $443,381 05
Losses Paid since Company was Organized, - - $1,133,534 80

DIRECTORS.

JOHN BARTON, Merchant.
CHARLES BOGAN, Merchant, Mariposa.
B. L. SCHMITT, Capitalist.
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GEORGE L. BRADLEY, Capitalist.
A. RIDER.
A. Y. TRASK, Marine Surveyor.
C. TURNER, Proprietor Bay City Soda Works.
H. B. UNDERHILL, Attorney S. P. R. Co.
L. CUNNINGHAM.
JAMES SIMPSON, M. D.
ROBT. MCKEE, of Shea, Bocqueraz & McKee.

JOHN H. WISE, President. CHAS. A. LATON, Secretary.

A. R. GUNNISON. General Agent and Adjuster.



Incorporated 1820.

FIRE ASSOCIATION
OF PHILADELPHIA.

Organized 1817.

CAPITAL STOCK, Fully Paid, - - - - - - $500,000 00
TOTAL ASSETS, - - - - - - - - - - - $4,106,425 90
LOSSES PAID Since organization of Association during 67 years, **$9,231,622 05**

CHAS. A. LATON, GENERAL AGENT,
439 CALIFORNIA STREET,
Safe Deposit Building, SAN FRANCISCO, CAL.

SVEA
Fire Insurance Company
OF GOTHENBURG.

Capital authorized	$2,666,666 66
Capital, paid up	533,333 33
Reserve for Re-insurance	1,683,363 47
Reserve for Losses	84,000 00
Net Surplus	327 499 34
TOTAL ASSETS,	$2,628,196 14

J. M. PHILIP, General Agent,

304 CALIFORNIA STREET, SAN FRANCISCO.

THAMES & MERSEY
Marine Insurance Co., Limited,

Of Liverpool, London and Manchester.

Capital Subscribed, - - $10,000,000
Capital Paid Up.....$1,000,000
Reserve Fund, in addition to capital, 1,875,000
Total Assets June 30, 1884..... 5,312,425

WM. GREER HARRISON,
Manager,
308 PINE STREET, San Francisco.

AGENTS:
VICTORIA, B. C.....WELCH, RITHET & CO.
PORTLAND, OREGON.....P. C. SCHUYLER.

BRITISH & FOREIGN
Marine Insurance Co., Limited,

Of Liverpool.

Capital Subscribed..... ....$5.000.000 Gold
Capital Paid Up..... 1,000.000 Gold
Reserve Fund, exclusive of capital.. 1,031,741 Gold

BALFOUR, GUTHRIE & CO.
General Agents,
316 CALIFORNIA ST. San Francisco.

GEO. W. SPENCER, MANAGER.

AMERICAN
STEAM BOILER INS. CO.
OF NEW YORK.

OFFICE, 170 BROADWAY.

Paid-up Capital, $200,000.

Insures Steam Boilers against Explosion and against loss or damage to Buildings, Stock, Machinery, Steam Vessels, and all other property, resulting from explosion. And we pay for Damage to Person and Loss of Life arising from Steam Boiler Explosion.

WM. K. LOTHROP, Pres. WM. E. MIDGLEY, V. Pres.
VINCENT R. SCHENCK, Sec'y.

BROWN, CRAIG & CO.,
Gen'l Agents Pacific Department.
C. VAN DYCK HUBBARD, Manager.
429 California Street, S. F.

HARTFORD
Steam Boiler Inspection and Insurance Company.

The Pioneer Steam Boiler Insurance Co. of America
Organized 1866.

Paid Cash Capital.....$250,000
Cash Assets.....$475,000

J. M. ALLEN, President.
Gen. WM. B. FRANKLIN, Vice-Pres.
J. B. PIERCE, Secretary.

HUTCHINSON & MANN, Gen'l Agents,
Office, 306 Sansome Street.

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY

OF MILWAUKEE, WIS.

ASSETS, January 1, 1885	**$22,528,970 52**
LIABILITIES, January 1, 1885	**19,007,964 15**
SURPLUS, 4 per cent.	**$3,521,006 37**

Since its organization the Company has paid to the representatives of its deceased policy-holders for death losses	$12,232,996 11
And to its living policy-holders for Dividends, Matured Endowments, Surrendered and Lapsed Policies	21,902,047 01
Total	$34,135,043 12
Add present Assets	22,528,970 52
Amount paid to policy-holders and held for them	$56,664,013 64
Total Premiums received	48,637,921 19
Excess of Assets and Payments to Policyholders over Premium Receipts	**$8,026,092 45**

OFFICERS.

H. L. PALMER, President. WILLARD MERRILL, 2d Vice Pres. J. W. SKINNER, Secretary.
MATTHEW KEENAN, Vice-President. EMORY MCCLINTOCK, Actuary. L. MCKNIGHT, M.D., Med. Director

R. W. ABBOTT, General Agent for California.

Reliable Agents wanted in the principal towns in the State. Apply at

215 SANSOME STREET, SAN FRANCISCO.

FRANCIS & REED, Portland, General Agents, Oregon and Washington Territory.

The Accident Insurance Co.

OF NORTH AMERICA.

HEAD OFFICE, MONTREAL, CANADA.

Established, 1872.

AUTHORIZED CAPITAL, $500,000. DEPOSITED AT ALBANY, N. Y. $100,000

Policies not forfeited by assured engaging in a more hazardous occupation than that for which he has paid his premium.

Has paid thousands of losses and never resisted a claim at law.

IRWIN & WATSON, General Agents,

411 California Street, San Francisco, Cal.

FIDELITY AND CASUALTY CO.

187 BROADWAY, NEW YORK.

CASH CAPITAL	**$250,000**
Deposited with N. Y. Insurance Department	**100,000**

FIDELITY BONDS.

Bonds issued guaranteeing the fidelity of persons holding positions of pecuniary trust and responsibility, thus securing a *Corporate Guarantee in Lieu of a Personal Bond* where security is required for the faithful performance of duties of employees *in all positions of trust.*

ACCIDENT POLICIES.

Policies issued against Accidents, Causing Death or Totally Disabling Injury. Insuring from $500 to $10,000 in case of Death, and from $3.00 to $50.00 Weekly Indemnity in case of Disabling Injuries.

WM. M. RICHARDS, President. JOHN M. CRANE, Secretary. W. H. LEE, Inspector.

J. R. GARNISS, General Agent,

219 Sansome Street, San Francisco.

Phœnix Assurance Company

Of London, England. Established 1782.

Cash Assets.....$5,723,874 00

British America Assurance Co.

Of Toronto, Canada. Established 1833.

Cash Assets.....$1,029,676 00

Western Assurance Company

Of Toronto, Canada. Established 1851.

Cash Assets.....$1,283,240 00

BUTLER & HALDAN, Gen'l Agents for Pacific Coast,

413 CALIFORNIA ST., SAN FRANCISCO.

CONNECTICUT MUTUAL

Life Insurance Company of Hartford, Connecticut.

ASSETS, January 1, 1885.....$53,430,032 91
SURPLUS, by Connecticut standard..... 4,195,658 57
SURPLUS, by New York standard over..... 7,300,000 00
Ratio of Expenses of Management to Receipts in 1884..... 8.70 per cent.

JACOB L. GREENE, President. **JOHN M. TAYLOR, Vice-President.**

W. G. ABBOT, Secret ry.

J. S. WILKINS, General Agent,

315 California Street, San Francisco, Cal.

The Mutual Benefit Life Insurance Co.

NEWARK, N. J.

AMZI DODD, - - President.

ASSETS (market values).....$38,615,319 32
LIABILITIES (4 per cent. reserve)..... 35,857,827 70
SURPLUS..... 2,757,491 62
SURPLUS (New York standard)..... 5,411,241 50

Policies Absolutely Non-Forfeitable after Second Year.

* IN CASE OF LAPSE the Policy is CONTINUED IN FORCE as long as its value will pay for; or, if preferred, a Paid-up Policy for its full value is issued in exchange.

After the third year Policies are INCONTESTABLE, except as against intentional fraud; *and all restrictions as to travel or occupation are removed.*

CASH LOANS are made to the extent of 50 per cent. of the reserve value, where valid assignments of the Policies can be made as collateral security.

Losses paid immediately upon completion and approval of proofs.

* A party insuring at age 35, on Life Plan, is entitled to over 4 years' insurance for 3 years' premiums; over 10 years' insurance for 5 years' premiums; over 20 years' insurance for 10 years' premiums.

On Endowment and other plans the value and extension are very much greater.

JAMES MUNSELL, JR., Agent Pacific Coast, 415 Montg'y St., S. F.

AGGREGATE ASSETS, $11,919,693.

PHŒNIX INSURANCE CO.,

OF HARTFORD, CONN.

—AND—

HOME INSURANCE CO.,

OF NEW YORK.

JOINT OR SEPARATE POLICIES ISSUED

Pacific Department, 221 Sansome Street, San Francisco.

ARTHUR E. MAGILL, General Agent.

NEW HAMPSHIRE

FIRE INSURANCE CO. OF MANCHESTER, N. H.

SUN MUTUAL INSURANCE COMPANY

NEW ORLEANS, LA.

JOS. C. JENNINGS & CO., General Agents,

317 California Street, San Francisco.



THE WASHINGTON LIFE

Insurance Company of New York.

W. A. BREWER, Jr., - - - - - - - President

ASSETS, OVER.....$7,300,000 00
SURPLUS, NEARLY.....$1,000,000 00

Clause in all Policies issued by the WASHINGTON:

"THIS POLICY SHALL NOT LAPSE by non-payment of premium when due, until the period shall have expired for which the cash dividends declared and standing at its credit at the time of such non-payment will pay the premium at the rate called for in this policy."

WM. HAXTUN, Vice-President and Sec. CYRUS MUNN, Assistant Secretary
E. S. FRENCH, Superintendent of Agencies, ISRAEL C. PIERSON, Actuary
Dr. B. W. McCREADY, Medical Examiner.

JOHN H. GRAY, General Agent,
311 California Street, San Francisco, Cal.
C. L. FAY, General Agent for Oregon and Washington Ty. PORTLAND, Or.

ESTABLISHED A. D. 1821.

PACIFIC DEPARTMENT

GUARDIAN ASSURANCE CO.

OF LONDON.

PAID UP CAPITAL..... ..... FIVE MILLION DOLLARS, GOLD
CASH SURPLUS, as regards FIRE POLICY-HOLDERS, after providing for all Liabilities $6,694,535.82
TOTAL CASH ASSETS, including Life Accumulations. 14,695,486.00

WM. J. LANDERS,
General Agent,
401 California Street.

B. C. HAWES,
City Agent and Surveyor.

HOWARD INSURANCE COMPANY

OF NEW YORK. (Organized 1825.)

ASSETS, - - - - $747,280.00

OLIVER HAWES, - GENERAL AGENT

227 Sansome Street, San Francisco.

$50,000 U. S. Bonds deposited in California for the Security of Policy-holders.

THE

OREGON

Fire and Marine Insurance Co. of Portland, Oregon.

CAPITAL paid up in Cash,.....$220,100 00
ASSETS, Jan'y 1st, 1885.....277,673 56

M. W. FECHHEIMER, President. EDWARD HALL, Secretary.

JACOBS & EASTON, General Agents,

216 SANSOME ST., SAN FRANCISCO.

THE MUTUAL LIFE

Insurance Co. of New York

INCORPORATED IN 1842.

R. A. McCURDY, President. GEO. H. ANDREWS, Vice-Pres t

ASSETS, JANUARY 1st, 1885, - - - - - $103,876,178.51

This Company presents to those needing insurance a security unequalled by any similar institution. It has never disputed a claim which was shown to be just and right, and has carefully sought and practiced the most equitable system for the division of its surplus, and for discriminating between the varied interests of its many members.

Premium Receipts to date	**$276,237,644**
Paid Policy-holders	**216,094,210**
Paid Policy-holders in 1884	**13,923,062**
Income in 1884	**19,095,318**

Accumulated Surplus, New York Standard, over - - - - $12,000,000.00

A. B. FORBES,

General Agent for the Pacific Coast,

214 Sansome Street, San Francisco.

ORGANIZED A. D. 1850.

MANHATTAN LIFE

INSURANCE CO., NEW YORK.

CASH ASSETS, J nuary 1, 1885.....$11,046,052.70

BUSINESS RULES.

PREMIUMS. The lowest safe rates. **POLICY.** As little restricted in terms as possible.
NON-FORFEITURE. Secured in the Policy under the law of New York.
SURRENDER VALUES fixed when the policy is issued. See printed tables.
DIVIDENDS made annually, commencing with the second year.
MANAGEMENT steady, reliable, business-like.
INVESTMENTS. Best security sought, rather than the largest interest.
PRINCIPAL OBJECT. To secure a provision for ourself or for the family.

BENEFICENT RESULTS.

FAMILIES BENEFITED. Nearly 5,000. **CLAIMS PAID.** Over $12,000,000.
RETURNED to Policy-holders over $7,500,000 of surplus premiums in Dividends.

FINANCIAL RESULTS.

ASSETS, $11,046,052. **SURPLUS,** $2,293,675, by New York Rule.

If you want **INSURANCE** take our Low Premium, Non-participating Policy. If you want **INSURANCE** and **DIVIDENDS** combined, take our Mutual Policy. If you want something for **YOUR OLD AGE,** take an Endowment Policy.

AGENTS, honest and capable, can secure good fields for working this progressive Company. Apply at the office of

JOHN LANDERS, General Agent,
410 CALIFORNIA ST., SAN FRANCISCO.

COMMERCIAL UNION

Assurance Company, Limited,

OF LONDON.

Pacific Coast Branch, 210 Sansome Street, San Francisco.

Subscribed Capital,	$12,500,000
Paid-up Capital,	1,250,000
Total Cash Assets, Gold,	11,192,779
Total Liabilities, including Re-insurance Funds, etc.,	7,514,907
Cash Surplus to Policy-holders,	3,677,872
Total Amount of Claims Paid,	$41,113,218

All Losses on the Pacific Coast promptly paid through the Branch Office at No. 210 Sansome Street, San Francisco.

C. F. MULLINS, - - - Manager.

NEW ZEALAND INSURANCE CO.

FIRE AND MARINE.

(*Established* 1859.)

Head Office, New Zealand Insurance Buildings, Auckland, N. Z.

CAPITAL	$5,000,000
PAID UP CAPITAL	1,000,000
ASSETS	2,660,725
REINSURANCE FUND AND OTHER LIABILITIES	749,760
SURPLUS	1,910,965
PREMIUMS RECEIVED TO NOV. 30, 1883	12,980,329
LOSSES PAID TO DATE	7,924,099
U. S. BONDS DEPOSITED IN OREGON	52,500
REAL ESTATE IN SAN FRANCISCO	210,000

Unlimited Liability of Shareholders

Underwrite through the medium of their Agents, against loss by fire of every description, and for voyage or time on Hulls, Merchandise, Freight, etc., to and from all parts of the world, at the usual rates of premium. Claims settled and paid either in San Francisco or any of the Company's British, Colonial or Foreign Branches, at the option of the insured.

HUGH CRAIG, Manager Pacific Department,

412 California Street, San Francisco.

ROYAL

Insurance Company of Liverpool, England.

ESTABLISHED 1845.

NORWICH UNION

Fire Insurance Society of Norwich, England.

ESTABLISHED 1797.

LANCASHIRE

Insurance Company of Manchester, England.

ESTABLISHED 1852.

FALKNER, BELL & CO.,

General Agents for the Pacific Coast,

410 CALIFORNIA ST., SAN FRANCISCO.

J. A. JONES, Manager. LOUIS MEL, Special Agent.

The State Investment and Insurance Co.

OF SAN FRANCISCO, CAL.

FIRE AND MARINE.

Cash Capital	$200,000 00
Assets, January 1st, 1885	383,561 37
Net surplus	45,638 68
Losses paid since organization	1,552,199 18

BOARD OF DIRECTORS:

Peter Donahue,	Richard Ivers,	D. Callaghan,	C. F. Buckley,
R. Harrison,	James Irvine,	L. Cunningham,	M. Mayblum,
G. O. McMullin,	H. H. Watson,	C. D. O'Sullivan,	H. W. Seale,
F. Ames,	A. J. Bryant,	H. Dimond,	

OFFICERS:

A. J. BRYANT, President. RICHARD IVERS, Vice-President. CHAS. H. CUSHING, Secretary.

OFFICE: 218 & 220 SANSOME ST., SAN FRANCISCO.

The Only Company on the Pacific Coast governed by the Massachusetts Non-forfeiture Law.

NEW ENGLAND MUTUAL LIFE

INSURANCE COMPANY, OF BOSTON

Incorporated 1835.

ASSETS	**December 31, 1884**	.....	**$17,095,567 10**
LIABILITIES	"	"	**14,700,116 37**
SURPLUS	"	"	**2,395,450 73**

NO SPECULATIVE FEATURES. ANNUAL RETURNS of SURPLUS PREMIUM, and YEARLY PROGRESSIVE CASH SURRENDER, and PAID-UP INSURANCE VALUES, fixed by Massachusetts law, ENDORSED ON THEM, protect all policies issued by this company from forfeiture; and give them also the character to such extent of yearly increasing and FOUR PER CENT. COMPOUND INTEREST bearing Bonds, with possible SURPLUS INTEREST paid in ANNUAL RETURNS.

The conditions of all policies are PLAIN, SIMPLE, and LIBERAL IN ALL OTHER RESPECTS.

SPECIAL ATTENTION is called to the fact that this company issues ENDOWMENT POLICIES embracing all the above advantages for THE SAME PREMIUMS formerly charged for policies payable only at death UNDER THE TITLE OF LIFE RATE ENDOWMENTS. Such policies challenge ALL COMPETITION as regards the AMOUNT AND LOW COST OF INSURANCE, which they COMBINE with INVESTMENT as above, reaching HALF THE FULL AMOUNT WITHIN THE MEAN EXPECTATION OF LIFE, and the FULL AMOUNT, IN A FEW YEARS LATER.

Send or call for explanatory books, EXAMPLES OF ENDORSED VALUES, &c.

HENRY K. FIELD, General Agent,

Office, 324 Montgomery St., San Francisco.

PROVIDENCE WASHINGTON

Insurance Company

Of Providence, R. I.

ASSETS..... .....**$1,060,874**

PRUSSIAN NATIONAL

Insurance Company

Of Stettin, Germany.

ASSETS.....**$2,904,713**

FRANZ JACOBY & CO., Agents,

323 CALIFORNIA ST., San Francisco.

CATALOGUE
OF
INSURANCE PUBLICATIONS

For Sale at the Office of the COAST REVIEW.

The Insurance Monitor. A monthly magazine devoted to Insurance. Established in 1853. The oldest Insurance Journal in America. Quarto form, 9 x 12, seventy pages, Subscription price, per annum postage prepaid..... $3 25
Single numbers, each..... 30
Recent bound volumes, each..... 5 00
Old volumes, special prices.

The Insurance Law Journal. A monthly publication devoted exclusively to Insurance Law. The latest decisions published monthly. Single numbers..... 50
Annual subscription..... 5 00
Back volumes. I., II., III., IV., V., 950 pp., each, law sheep, each..... 7 50

Letters to an Agent, from ye PATRIARCH. A familiar book of instruction for Fire Insurance Agents, in which divers topics are treated in a manner quite unlike that adopted by the more formal writers. Good to reform careless Agents; good to stimulate lazy Agents; good to instruct green Agents; interesting to Agents of all sorts, Price in beveled boards, cloth, gilt side title, very handsome..... 1 50
Per dozen copies..... 15 00

Hine's Instruction Book for Agents, new edition, revised and greatly enlarged. Single copies..... 2 50

Hine's Book of Forms—Policies, Endorsements, etc. New edition, revised and greatly enlarged. Single copies..... 1 50
More than thirty thousand of these two popular books have been sold.

Hine's Expiration Book. Good for ten years from any date of beginning. No. 1, 72 leaves, (6 to month), marble sides, leather back and corners; for small agencies..... 3 00
No. 2, 96 leaves (8 to a month), cloth sides, leather back and corners..... 5 00
No. 3, 168 leaves (14 to a month), cloth and leather..... 7 50

Customer's Expiration Book. A very neat 7 x 9, twelve-page affair, for presentation by Agents to their customers. Per dozen books..... 2 50
Single copies..... 20

Hine's Pocket Expiration Book. Single copies..... 1 50

Water's Adjustment on Building. Single copies..... 2 50

Hine and Nichol, Digest of Insurance Cases. Most complete work of the kind ever published..... 7 50

Fox's Hand Book of Adjustment. New edition. Single copies..... 3 00

Griswold's Hand Book of Adjustments. A new edition, revised and greatly enlarged. Single copies.. 1 50

Proofs of Loss. Blank Proofs of Loss, adapted for use in any locality and for any company. 100 copies 5 00
Per dozen..... 1 00

Small Form for Minor Losses. Very complete and convenient. Price same as above.

Diagram Paper ruled in Squares, ready for use. In sheets 14 x 17. Price, per 100 sheets..... 5 00
Per dozen..... 1 00

Appraisement Blanks, necessary for adjustment of Losses on Merchandise. Price, per 100 copies..... 5 00
Per dozen..... 1 00

Builders's Estimates. A blank necessary to the Correct Adjustment of a Loss on Buildings. Three kinds—BRICK, FRAME, and PARTIAL Losses. Price (assorted as ordered), per 100..... 5 00
Per dozen..... 1 00

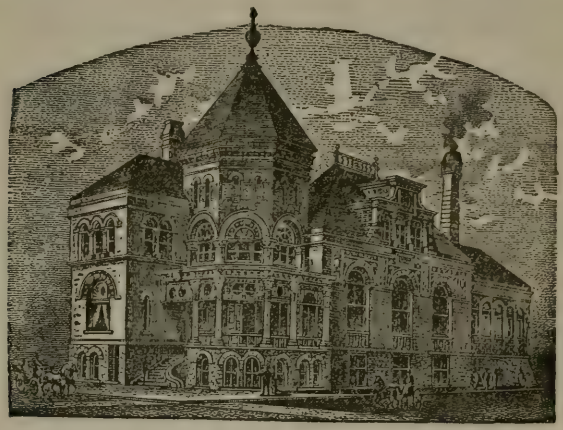
An Instruction Book for Life Insurance Agents, Canvassers, and Solicitors. By N. WILLEY, Actuary.
Per dozen..... 15 00
Single copies..... 1 00

Life Agents' Aid. By HENRY W. SMITH. An Inquiry into the Sources of Surplus; an Explanation of the Contribution Plan of making Dividends. 48 pp., 12mo., tinted paper. Per 1,000.....100 00
Per 100..... 15 00
Per dozen..... 2 50
Single copies, paper covers..... 25
In muslin..... 40

Address, J. G. EDWARDS,
320 Sansome Street, San Francisco.

PACIFIC DEPARTMENT

CONNECTICUT



Fire Insurance Company of Hartford.

CAPITAL PAID UP, - - - - **$1,000,000.00**
CASH ASSETS, - - - - - **1,868,882.00**

J. D. BROWNE, President,
CHAS. R. BURT, Secretary.
L. W. CLARKE, Ass't Sec'y.

WM. MACDONALD, MANAGER,

330 Montgomery Street, Safe Deposit Building,
SAN FRANCISCO.

OLDENDORFF, HARVEY & CO.

Resident Agents, Portland, Or.

GENERAL INSURANCE AGENCY

OF

BROWN, CRAIG & CO.

The Following First-Class American Companies represented:

PHENIX

OF BROOKLYN.

CAPITAL **$1,000,000.00**
ASSETS **4,342,430.00**

THE AMERICAN

FIRE INSURANCE COMPANY

OF PHILADELPHIA.

INCORPORATED A. D. 1810.

Capital and Assets $1,768 092
Net Surplus 406,643

The Insurance Co. of the State of Penn.

OF PHILADELPHIA.

INCORPORATED A. D. 1794.

CAPITAL AND ASSETS **$826,598**
NET SURPLUS **189,425**

BROWN, CRAIG & CO., General Agents,

429 California Street, San Francisco Cal.

Fire & Marine Insurance Agency

-OF-

GUTTE & FRANK,

307 California Street, San Francisco, Cal.

HAMBURG MAGDEBURG

Fire Insurance Company, of Hamburg.

GERMANIA FIRE INS. CO.

Of New York.

MAGDEBURG GENERAL

Insurance Co. (Marine Department) of Magdeburg.

THE NATIONAL MARINE

Insurance Association (Limited), of London.

GREAT WESTERN

Insurance Co. (Marine) of New York.

JAMES LAIDLAW & CO., OF PORTLAND,

General Agents of the HAMBURG MAGDEBURG and GERMANIA for Oregon and Washington Territory.

THE PACIFIC MUTUAL LIFE

Insurance Company,

OF CALIFORNIA.

LIFE AND ACCIDENT INSURANCE.

OFFICERS:

GEO. A. MOORE.....President.
W. R. CLUNESS, M. D.....Vice-President and Medical Director.
J. N. PATTON.....Secretary.
SAMUEL MARKS.....Assistant Secretary.
W. O. GOULD.....Actuary.
THOMAS BENNET.....General Superintendent.

DIRECTORS:

ROBERT SHERWOOD, Capitalist.
GEO. W. BEAVER, Capitalist.
L. S. ADAMS, Adams, McNeil & Co., Wholesale Grocers.
COLUMBUS WATERHOUSE, Waterhouse & Lester, Importers and Jobbers Carriage and Wagon materials.
W. T. GARRATT, Brass and Bell Foundry and Machine Works.
SAMUEL LAVENSON, Locke & Lavenson, Carpet Dealers.
W. R. CLUNESS, Physician.
GEO. A. MOORE, President of the Company.
J. F. HOUGHTON, Pres. Home Mutual Fire Ins. Co.
HUGH M. LARUE, Pres. State Agricultural Society.
D. W. EARL, D. W. Earl & Co. Forwarding and Commission Merchants.
CHAS. N. FOX, Attorney-at-Law.
B. F. LANGFORD, Farmer, San Joaquin County.
JAMES CAROLAN, Carolan, Cory & Co., Hardware, etc.
HENRY T. SCOTT, Union Iron Works.

$3,000,000 paid to Policy-holders and their Representatives.

The only Life Insurance Company transacting business in the United States whose Stockholders are by law made liable for the debts of the Corporation, and whose Directors are made responsible for the acts of officers.

A SOUND AND PROGRESSIVE INSTITUTION.

The Annual Statement of the Company January 1st, 1885, shows the following, viz.:

An Increase in Policy-holders.
An Increase in Amount of Insurance.
An Increase in Net Assets.
An Increase in Net Surplus.
A Decrease in Expenses of Management.

The Policies of the Company impose NO RESTRICTION UPON RESIDENCE OR TRAVEL, are exempt from execution and the claims of creditors, and are indisputable after three years.

Capable and Reliable Agents Wanted. Apply Directly to

PRINCIPAL OFFICE:

No. 418 California Street, San Francisco.

UNION MUTUAL LIFE INSURANCE CO.

PORTLAND, MAINE.

JOHN E. DE WITT, President.

Organized 1848.

ASSETS, December 31st, 1884, - - - $6,322,001.67
SURPLUS, New York Standard, - - - - 728,834.17

SINCE ITS ORGANIZATION HAS PAID FOR DEATH LOSSES OVER

EIGHT MILLION DOLLARS,

AND FOR MATURED ENDOWMENTS OVER

THREE MILLION DOLLARS.

Its policies, after three years, are incontestable, unrestricted in travel, residence and occupation, and protected by the MAINE NON-FORFEITURE LAW.

It pays its Death Losses upon approval of death proofs, without waiting sixty, ninety, or any other number of days, and without discount.

Whether seeking protection, or investment, or both combined, you cannot do better than to insure in the UNION MUTUAL. Its strength is beyond question; it is conservatively and efficiently managed; is doing a largely increasing business, and is in all respects worthy of public patronage.

HENRY D. SMITH.....Secretary. **Hon. JOSIAH H. DRUMMOND.....Counsel.**
C. H. VAN GAASBEEK, Jr., Ass't Secretary. **THOS. A. FOSTER, M. D., Medical Director.**

ACTIVE AGENTS WANTED

Apply to Directors' Office, or to any Agency of the Company.

JABEZ HOWES, Manager Pacific Agency,

329 PINE STREET, SAN FRANCISCO.

FORTIETH ANNUAL REPORT
—OF—

THE NEW YORK LIFE INSURANCE COMPANY,

OFFICE, Nos. 346 & 348 BROADWAY, N. Y.

JANUARY 1, 1885.

Amount of Net Cash Assets, January 1, 1884 ..... $53,477,849 89

REVENUE ACCOUNT.

Premiums	$11,913,898 22		
Less deferred premiums Jan. 1, 1884	645,047 46	$11,268,850 76	
Interest and rents (including realized gains on real estate sold)	3,333,896 78		
Less interest accrued Jan. 1, 1884	362,272 15	2,971,624 63	$14,240,475 39
			$67,718,325 28

DISBURSEMENT ACCOUNT.

Losses by death, including reversionary addition to same		$2,257,175 79	
Endowments matured and discounted, including reversionary additions to same		873,808 50	
Annuities, dividends and returned premiums on cancelled policies		3,603,970 85	
Total paid Policy-holders	$6,734,955 14		
Contingent Fund (charged off on securities)		469,052 20	
Taxes and re-insurances		257,880 65	
Commissions, brokerages, agency expenses and physicians' fees		1,948,837 21	
Office and law expenses, salaries, advertising, printing, &c		471,601 63	$9,882,326 83
			$57,835,998 45

ASSETS.

Cash in bank, on hand and in transit (since received)		$2,222,433 52	
Invested in U. S., New York City and other stocks (market value $27,743,223 05)		26,295,467 93	
Real estate		5,520,656 63	
Bonds and mortgages, first lien on real estate (buildings thereon insured for $19,500,000 and the policies assigned to the company as additional collateral security)		21,116,430 00	
Temporary loans (secured by stocks, market value ($414,801 00)		370,000 00	
*Loans on existing policies (the reserve held by the company on these policies amounts to over $2,000,000)		440,067 12	
*Quarterly and semi-annual premiums on existing policies, due subsequent to January 1, 1885		795,323 00	
*Premiums on existing policies in course of transmission and collection		540,316 19	
Agents' balances		74,886 30	
Accrued interest on investments to Jan. 1, 1885		460,507 76	$57,835,998 45
Excess of market value of securities over cost			1,447,755 12

*A detailed schedule of these items accompany the usual annual report filed with the Insurance Department of the State of New York.

CASH ASSETS, January 1, 1885 ..... $59,283,753 57

APPROPRIATED AS FOLLOWS:

Adjusted losses, due subsequent to Jan. 1, 1885	$362,090 82	
Reported losses, awaiting proof, &c	253,007 52	
Matured endowments, due and unpaid (claims not presented)	51,383 05	
Annuities due and unpaid (uncalled for)	12,681 99	
Reserved for re-insurance on existing policies; participating insurance at 4 per cent. Carlisle net premium; non-participating at 5 per ct. Carlisle net premium.	51,582,392 00	
Reserved for contingent liabilities to Tontine Dividend Fund, January, 1, 1884, over and above a 4 per cent. reserve on existing policies of that class	$2,236,096 04	
Addition to the Fund during 1884 for surplus and matured reserves	871,193 04	
	$3,107,289 08	
DEDUCT— Returned to Tontine policy-holders during the year on Matured Tontines.	473,492 38	
Balance of Tontine Fund, January 1, 1885	2,633,796 70	
Reserved for premiums paid in advance	17,386 59	
		$54,912,738 67
Divisible surplus at 4 per cent. (company's standard)		4,371,014 90
Surplus, estimated by the New York State Standard at 4½ per cent		**$10,000,000 00**

From the undivided surplus of $4,371,014.90 the Board of Trustees have declared a Reversionary dividend to participating policies in proportion to their contribution to surplus, available on settlement of next annual premium.

During the year 17,463 policies have been issued, insuring $61,484,550.

WM. H. BEERS, President.

ALEX. G. HAWES,

Manager for the Pacific Coast,

220 SANSOME STREET, SAN FRANCISCO.

THE TWENTY-SECOND ANNUAL STATEMENT

—OF THE—

FIREMAN'S FUND

INSURANCE COMPANY

OF SAN FRANCISCO, CALIFORNIA.

JANUARY 1, 1885.

Capital Paid up in Cash	**$750,000 00**
Re-Insurance Reserve	407,998 68
Losses in Process of Adjustment	76,733 71
All other Claims	17,830 46
Net Surplus over all Liabilities	**268,331 90**
Total Assets	**$1,520,894 77**
Surplus as regards Policy-holders	**$1,018,331 90**

SUMMARY OF ASSETS.

Real Estate owned by Company	$321,598 60
Loans on Bond and Mortgage	104,500 00
Cash market Value of all Stocks and Bonds owned by Company	653,235 00
Loans on Collateral Security	113,450 00
Cash in Company's Office and in Banks	180,061 05
Interest and Rent Due and Accrued	8,218 19
Premiums in due Course of Collection	90,558 29
Bills Receivable, not Matured, taken for Fire and Marine Risks	44,824 57
Due from other Companies for Re-insurance on losses already paid	4,448 57
	$1,520,894 77

INCOME.

Net Cash received for Fire Premiums	$564,533 22
Net Cash received for Marine Premiums	190,970 90
Received for Interest and Dividends	41,040 31
Rents	15,000 03
Total Income	**$811,544 46**

EXPENDITURES.

Net amount paid for Fire Losses	$325,698 74
Net amount paid for Marine Losses	90,493 15
Dividends	90,000 00
Commissions and Brokerages	87,478 99
Salaries, Fees, etc	69,034 72
Taxes—State, National and Local	13,676 65
All other Expenditures	73,211 19
Total Expenditures	**$749,593 44**
Premiums Received Since Organization	**$10,377,695 60**
Losses Paid Since Organization	**5,900,737 11**

D. J. STAPLES, President. **WM. J. DUTTON, Secretary.**
ALPHEUS BULL, Vice-President. **E. W. CARPENTER, Asst. Secretary.**

HOME OFFICE: S. W. Corner California and Sansome Streets,

SAN FRANCISCO, CAL.

City Agency (Fire Department),
THANNHAUSER & CO., Agents,
No. 311 California St., S. F.

EASTERN DEPARTMENT,
THOS. S. CHARD, Manager,
157-159 La Salle St., CHICAGO, ILL.

TRANSATLANTIC

—FIRE—

Insurance  Company,

OF HAMBURG, GERMANY.

Capital	**$1,500,000 00**
Subscribed Capital (secured by endorsed notes)	**1,200,000 00**
Paid up Capital	**300,000 00**
Assets January 1st, 1885	**1,037,306 00**
Invested in the United States	**486,458 00**
Surplus	**227,383 90**

Annual Premium Income over One Million Dollars.

Losses Equitably Adjusted, and promptly paid in U. S. Gold Coin

GEO. MARCUS & CO.,

General Agents for the Pacific Coast,

232 CALIFORNIA ST SAN FRANCISCO, CALIFORNIA.

PACIFIC DEPARTMENT

North British and Mercantile Ins. Co.

OF LONDON AND EDINBURGH.

Authorized Capital	$15,000,000
Subscribed Capital	$12,500,000 00
Paid up Capital	2,500,000 00

ASSETS.

Real Estate (unincumbered)		$1,635,969 33
Stocks and Bonds owned by the Company		7,749,499 08
Loans on Bonds and Mortgages		1,406,297 15
Bills Receivable		101,740 33
Premiums in course of collection and transmission		104,858 30
Due by Branches and Agencies		1,419,043 28
Cash on hand and in banks		728,102 45
TOTAL FIRE ASSETS		**$13,145,509 92**
Reserve for Re-insurance and unpaid Losses	$2,506,299 87	
All other Liabilities	634,513 78	3,140,813 65
Surplus as regards Policy-holders		**$10,004,696 27**

German American Insurance Co.

OF THE CITY OF NEW YORK.

Cash Capital	$1,000,000

All invested in Government Bonds at Par Value.

ASSETS.

United States Bonds		$2,229,500 00
All other Assets		1,991,836 97
TOTAL ASSETS		**$4,221,336 97**
Reserve for Re-insurance and Unpaid Losses	$1,496,847 31	
All other Liabilities	34,595 88	1,531,443 19
Surplus as regards Policy-Holders		**$2,689,893 78**

TOM C. GRANT, General Agent,

213 Sansome Street, San Francisco.

PACIFIC DEPARTMENT

SCOTTISH UNION & NATIONAL

Insurance Company of Great Britain.

Organized 1824.

CAPITAL SUBSCRIBED, - - - -	$21,757,000 00
CAPITAL PAID UP IN CASH, - - - -	1,412,855 00
CASH ASSETS, - - - - -	15,286,794 16

With its subscribed capital, subject to call, amounting to **$21,757,000**, which, under the stringent laws of Great Britain governing unpaid capital, is available to the last dollar for its fire losses, it stands at the head of all the companies in the world doing business in America.

It is one of the Oldest Companies in the World.

ASSETS IN THE UNITED STATES $1,114,547 00

United States Branch Office, 64 Pearl Street, Hartford, Conn.

M. BENNETT, Jr., Manager. JAS. H. BREWSTER, Asst. Manager.

A. LEONARD & SON, - Resident Agents, - Sacramento, Cal.
KREMER & MELZER, " Los Angeles, Cal.
THOS. H. CORDELL & CO., " San Jose, Cal.
OLDENDORFF, HARVEY & CO. Resident Agents, Portland, Or.

NATIONAL FIRE INSURANCE CO.

Of Hartford, Conn.

CAPITAL STOCK, ALL CASH		$1,000,000 00
FUNDS RESERVED TO MEET ALL LIABILITIES	Unpaid Fire Losses, $50,666.83 Re-ins. Fund, legal st'rd, 293,889.70	344,556 53
Net Surplus over Capital and all Liabilities,		**425,746 43**
Total Assets, January 1st, 1885,		**$1,770,302 96**

HAGAN, MANHEIM & CO., - - General Agents.

JAMES W. STAPLES, Manager.

217 Sansome Street, San Francisco, Cal.

AMAZON

Insurance Company of Cincinnati.

GAZZAM GANO, President. J. H. BEATTIE, Secretary.

Cash Capital, paid up	$300,000 00
Assets, January 1st, 1885	560,259 00
Stockholders individually liable under Constitution of Ohio	300,000 00
Making Assets equal to	$860,259 00

AMERICAN CENTRAL

Insurance Company of St. Louis.

Assets, January 1, 1885	$1,178,273 00
Net Surplus over Capital and all Liabilities	170,605 00
Chicago's Great Fire, Loss Paid over	300,000 00
Total Losses Paid, over	4,600,000 00

PACIFIC

Fire Insurance Company of New York

Cash Capital, paid up	$200,000 00
Assets, January 1, 1885	753,415 00

NORTHWESTERN NATIONAL

Insurance Company of Milwaukee.

Capital paid up	$600,000 00
Assets, Jan. 1, 1885	1,223,353 00

SMITH, SNOW & MOODY,

General Agents,

317 CALIFORNIA ST., SAN FRANCISCO.

Telephone No. 195.

WESTERN

Fire and Marine Insurance Company,

OF CALIFORNIA.

Cash Capital, - - - - - - - - - - $200,000.00

Agencies Established Throughout the Pacific Coast.

DIRECTORS:

J. MACDONOUGH, N. OHLANDT, E. B. POND,
THOS. JENNINGS, MICH'L KANE, JOHN FAY,
HENRY CASANOVA, GEO. W. SESSIONS, W. P. WILLARD.
P. J. WHITE,

OFFICERS;

P. J. WHITE .....President.
JOHN FAY .....Vice-President.
GEO. W. SESSIONS .....Secretary.

HEAD OFFICE,

409 California Street, San Francisco, Cal.

UNION INSURANCE CO.

OF SAN FRANCISCO.

Office, No. 416 and 418 California Street.

INCORPORATED, APRIL, 1865.

FIRE AND MARINE.

CAPITAL, fully paid in Gold Coin.....$750,000 00
ASSETS, January 1st, 1885.....1,112,258 88

JAS. D. BAILEY, Secretary. **GUSTAVE TOUCHARD, President.**
C. P. FARNFIELD, General Agent. **N. G. KITTLE, Vice-President.**

GENERAL AGENTS,

EASTERN DEPARTMENT.....ROOSEVELT & BOUGHTON, 44 Pine Street, New York.
WESTERN DEPARTMENT.....THOMAS & W. A. GOODMAN, 142 La Salle St., Chicago.

General Insurance Agency

—OF—

JACOBS & EASTON,

216 Sansome St., San Francisco.

GLENS FALLS

INSURANCE COMPANY OF NEW YORK.

Assets.....$1,368,025 00 | Surplus to Policy-holders.....$863,874 00

UNION

INSURANCE COMPANY OF PHILADELPHIA.

Assets.....$866,730 00 | Surplus to Policy-holders.....$379,671 00

SPRINGFIELD

F. & M. INSURANCE CO. OF SPRINGFIELD, MASS.

Assets.....$2,562,510 00 | Surplus to Policy-holders.....$1,236,374 00

GERMAN

INSURANCE CO. OF FREEPORT, ILLINOIS.

Assets.....$1,650,799 00 | Surplus to Policy-holders.....$423,998 00

GERMAN

INSURANCE COMPANY, OF PITTSBURG, PA.

Assets.....$448,458 00 | Surplus to Policy-holders.....$282,044 00

MERCHANTS

INSURANCE COMPANY OF NEW JERSEY.

Assets.....$1,207,589 00 | Surplus to Policy-holders.....$740,702 00

MERCHANTS

INSURANCE COMPANY OF NEW YORK.

Assets.....$386,698

CONCORDIA

INSURANCE COMPANY OF MILWAUKEE.

Assets.....$442,593

CITY DEPARTMENT

North British and Mercantile Insurance Company.

German-American Insurance Company.

SUN

INSURANCE COMPANY —— FIRE AND MARINE.

Head Office, 428 California Street,

SAN FRANCISCO, CAL.

CAPITAL, paid up, - - - - $300,000
SURPLUS as to Policyholders, - - 450,202

C. L. TAYLOR.....President.
J. N. KNOWLES.....Vice-President.
ED. E. POTTER.....Secretary and Treasurer.

DIRECTORS.

I. STEINHART.....Manager Anglo-Californian Bank
R. D. CHANDLER.....Merchant
GEO. H. COLLINS.....Lumber Merchant
J. B. STETSON.....Holbrook, Merrill & Stetson
J. J. McKINNON.....Shipping Merchant
FRANCIS BLAKE.....Blake, Robbins & Co.
E. B. POND.....Capitalist
ALFRED BARSTOW.....Rhodes & Barstow
C. L. DINGLEY.....Shipping Merchant
C. L. TAYLOR..Shipping and Commission Merchant
J. N. KNOWLES " " " "

Pacific Coast Department,

Boston Underwriters

OF BOSTON, MASS.

Surplus as to Policyholders, $1,016,750

Williamsburg City Fire Ins. Co.

OF NEW YORK.

Surplus as to Policyholders, $1,128,236

The Franklin Fire Ins. Co.

OF PHILADELPHIA.

Surplus as to Policyholders, $2,993,286

ED. E. POTTER, Pacific Coast Manager,
428 California Street.